City of Westminster

2010/11

Draft
Annual Accounts

EXPLANATORY FOREWORD

The Statement of Accounts for the year ended 31 March 2011 has been prepared and published in accordance with the Accounts and Audit Regulations 2003 and the Code of Practice issued by the Chartered Institute of Public Finance and Accountancy in 2010. The new code is based on a consolidation of accounting standards including International Financial Reporting Standards, International Public Sector Accounting Standards and Generally Accepted Accounting Practice (UK). The Statement was approved by the Audit & Performance Committee of the Council on XX XXXX 2011.

The purpose of this foreword is to offer an easily understandable guide to the most significant matters reported in the accounts. It provides an explanation in overall terms of the authority's financial position, and assists in the interpretation of the accounting statements, including the Group Accounts.

It also contains a commentary on the major influences affecting the authority's income and expenditure and cash flow, and information on the financial needs and resources of the authority. It is not the purpose of the foreword to comment on the policies of the authority, rather to explain the financial facts.

THE ACCOUNTING STATEMENTS **Page**

The Council's accounts for the year 2010/11 consist of:

REVIEW BY STRATEGIC DIRECTOR, FINANCE & PERFORMANCE

BACKGROUND TO THE PREPARATION OF THE ACCOUNTS

The Council's financial affairs have to be reviewed by an independent organisation which is appointed to express an opinion of the accuracy of the Council's financial accounts. This review or audit is undertaken by a Government appointed body, the Audit Commission. The annual audit has been completed and Audit Commission's opinion is set out on page 7.

The Council's Accounts have been prepared in accordance with current accounting requirements and practice. For the purposes of this summary some modifications have been made to provide simplified information.

A copy of the final Accounts will be made available on the Council's website.

COUNCIL'S FINANCIAL STRATEGY

Westminster faced a particularly difficult 2010/11 financial year, commencing the year with a £20 million "structural deficit" which emerged in mid 2009. This was primarily due to reductions in commercial income and demographic pressures. At that time a financial strategy was adopted in order to bring costs in line with expenditure limits.

The financial strategy comprised of three main components:

- Identification and implementation of a number of on-going savings by Service Areas in Revenue expenditure. This was supplemented in-year by additional one-off staunching measures.

- Reduction of the Council's Capital Programme from £68 million in March to £50 million in August 2010, and

- Application to CLG for permission to capitalise redundancy and change costs.

The Council strives to deliver value for money and drive efficiencies in all the services that it provides to its customers, 2010/11 has been no exception. This year has been one of great change for Westminster which has included preparing and analysing business cases and plans to deliver a new operating model in the way the Council delivers its public services. Significant strides have also been made with redefining how Finance services will be provided moving forward which encompasses consolidating transactional activity into a Shared Services Centre to allow the rest of Finance to deliver value-added activity for its stakeholders.

THE COUNCIL'S PERFORMANCE AND SPENDING IN 2010/11

One of the functions of the Audit Commission is to assess the quality of the services provided by councils throughout the country. All of the services performed by Westminster are tested against criteria set by Government. The assessments from all services are collated and an overall score is awarded. The Council is graded against this scoring mechanism and given a star rating. Westminster has been awarded the highest possible four star rating over several recent years.

The last time Westminster's performance was assessed, the Audit Commission noted that "Overall Westminster City Council performs excellently and the organisation has been assessed 4 out of 4. It continues to build on its strong track record and deliver excellent outcomes for local people. Adult Social Care services have been rated as performing excellently."

The Council has a sound budgeting and financial reporting process which is underpinned by robust financial processes.

During 2010/11, we have undertaken substantial work on improving the quality of in-year financial management such as improved forecasting, redesign of monthly management reporting for both capital and revenue, monthly challenge sessions with senior management on their budgets, training for Finance and non-Finance staff on financial management issues.

These measures have been introduced to mitigate against the £20 million "structural deficit" and potential on-going cost pressures throughout 2011/12 due to demographic growth.

In 2010/11, Council expenditure fell into two categories:

- Revenue Expenditure - the day-to-day costs of operating Council services.

- Capital Expenditure – the cost of investing in Council's assets such as equipment, buildings and infrastructure.

Revenue Expenditure

The total net Revenue expenditure of the Council totalled £246.8 million. The full year outturn position for 2010/11 shows an overspend of £11.9 million. This overspend consists of service area overspend (including parking), corporate net interest and items written-off.

The £11.9 million combined with the budgeted £5 million use of Reserves, reduced Reserves in-year by £16.9 million to close at £15.6 million. Both the Revenue and Closing Reserves position show a £2 million improvement over that which was originally forecast.

The Income and Expenditure account on page 30 provides an analysis of the net cost of providing all of Council's services.

Capital Expenditure

The Council's asset base consists of public buildings, highways, council houses and larger items of equipment and plant which reflect the long-term nature of the Capital Programme. This programme is set over a five year period to 2010/2015. The Capital Programme approved by Cabinet in March 2010 (set at £68 million), was amended in August 2010 to £50 million. This reduction represented a means to contain capital spend in line with declining economic conditions.

The full year net Capital spend for 2010/11 is £41 million. This is an underspend of £9 million against the amended £50 million Budget. The underspend on Capital has arisen predominantly from slippage on schemes across all Service Areas, netted against by £2 million of capital cost through utilising the Capitalisation authorisation for 2010/11 from Department of Communities and Local Government (CLG).

A request to CLG to capitalise change and redundancy costs the latest phase of the 2010/11 restructure, which was estimated at c.£3 million at the time the application was submitted. The actual total cost of redundancy for the Council for 2010/11 totalled £2 million.

The Financing of the Council's Revenue Expenditure

Local authorities receive funding from Government grants and from households in the form of the Council Tax, in addition to revenue from fees and charges. Annually, the Government determines the amount of local government spending it can support through grant funding.

This expenditure is paid for by a combination of government grants and Council Tax and Business Rate payments:

	2010/11 Actual £'M
Net Expenditure	**246.8**
Funded by:	
Formula Grant/RSG	181.5
Council Tax	49.0
Collection Fund Adjustment	-0.5
Total Funding	**230.0**
Use of Reserves	16.8
Total Funding and Reserves	**246.8**

The main source of funding which the Council receives to support its budget requirement is formula grant which comprises redistributed business rates income and revenue support grant. In determining formula grant allocations, the government takes into account the relative needs of different authorities, including population, the number of commuters, visitors to an area, and relative deprivation levels.

In 2010/11 the Council received £181.5 million in formula funding and taken together with the £28.5 million of specific grants that have been incorporated into Formula Grant for 2011/12, represent cash reductions in equivalent grant funding of 11.1%.

In 2010/11, at £687.62, the Band D Council Tax charged by the Council remained the second lowest in the Country. The City Council's element (£377.80) generated £49.0 million in income to fund the Council's activities. The element of Council Tax payable to the Greater London Authority (the 'GLA precept') , equivalent to £309.82 per band D equivalent property and generating £40.1 million, was paid over to fund the activities of the Metropolitan Police Authority, the London Fire and Emergency Planning Authority, Transport for London and the corporate costs of running the Mayor's Office.

The Council's Reserves

The General Fund pays for most of the services provided by the City Council. The level of Reserves earmarked for specific activities was £25.5 million with Unearmarked (General) Reserves totalling £15.6 million. The General Fund and Earmarked balances held are shown below:

	General Fund £'M	Earmarked Revenue Reserves £'M	Total £'M
Balance 1st April 2010	32.4	26.2	58.6
Surplus/ (Deficit)	-16.8	-0.7	-17.5
Balance 31st March 2011	**15.6**	**25.5**	**41.1**

The Reserves are kept under review and are considered necessary in light of future pressure on the Council. Historically, this level of Reserves is very low reflecting the need to respond to reductions in government funding. This brings with it a number of risks and challenges which are detailed in the Budget and Council Tax Report 2011/12, 2012/13 and summarised in 'Risks and Challenges for 2011/12' section below.

Schools Reserves

Under delegated budget responsibilities, Westminster schools will carry forward balances of £6.6 million as at 31st March 2011.

Housing Revenue Account

The Housing Revenue Account (HRA) is a ring fenced account to which expenditure incurred and income received in relation to its housing stock is charged. City West Homes (set up in April 2002) has been responsible for managing the Housing service as agent during 2009/10. It is a company owned by the Council and it prepares its own accounts. These are available from the Company Secretary at 21 Grosvenor Place, London, SW1X 7EA.

Routine day to day expenditure is charged to this Account as is income received from tenants as rent. During 2009/10 the HRA reported a surplus of £3.8 million with £110.2 million of income (including £61.3 million in rents from dwellings) being offset by £106.4 million of expenditure (including £53.3 million on repairs, maintenance and management costs).

There are £96.6 million of ring fenced balances are held in the HRA to support investment in the Council's social housing stock. The HRA accounts are shown on page 75.

RISKS AND CHALLENGES FOR 2011/12

The Council faces significant budgetary risks and challenges over the coming years and these are detailed in the Budget and Council Tax Report 2011/12, 2012/13 presented to Council in February 2011. These are summarised in the paragraphs below.

Redundancy and Change costs

- The ability to contain redundancy and change costs within service area expenditure limits.
- The redundancy programme will cover some 14-18% of Council's staff who need to leave on an accelerated timetable.

Service Area Cost Pressures

- The ability of Service Areas to contain inflationary costs, alongside other pressures and meet their savings targets.
- Increasing demographic pressures in Adult and Children's services are assumed to be contained within Service Area Budgets and offset by savings programmes.

Income Generation

- Westminster's funding is heavily dependent on commercial income levels and certain levels of capital receipts, which if not achieved will require further capital reductions.
- The Budget assumes the use of new charging regimes being made available.

Corporate Risks

- There are a number of corporate risks on legal matters (£2 million), Iceland bank write-downs (c. £5 million) and general operational risk (£11 million) that have previously been identified to Audit and Performance Committee.
- Should interest rates increase driven by inflation or other factors, as a net interest payer, the Council will see an adverse impact on budgets.
- The employer contribution to the pension fund is based on certain assumptions (including longevity, investment returns, employee numbers and continued solvency of other parties to the pension fund), which if do not turn out as expected, could have a negative effect on the valuation of the future liability of the pension fund.

Other

- The budget assumption is that any specific costs arising in relation to the Olympics will be matched by additional funding.
- Wide ranging changes within the health service will involve the Council adapting to well established commissioning and delivery arrangements and there are potentially costs that will fall to Westminster from staffing reductions or development of new health arrangements.
- Technical issues around the introduction of IFRS continue to present risks at a time of tight financial management.

STRENGTHENING FINANCIAL MANAGEMENT

At the time of setting the 2011/12 Budget, service areas identified £30 million of net savings, comprising £30 million of cost pressures, largely due to inflation and demographic growth. In order to mitigate risks, challenges and cost pressures a £60 million savings programme is in place in an attempt to offset these. In order to ensure robust monitoring, validation and delivery of the savings programme a Delivery Assurance Framework has been established. This framework involves a rolling programme of challenge sessions which are chaired by the Chief Executive and involve the responsible SEB member. The Strategic Director of Finance and Performance also attends to provide additional challenge.

Whilst the primary focus has been on the monitoring of the £60 million savings programme, it is also important to carefully keep track of the £30 million of Budget pressures. These will be vigilantly monitored through monthly "Solve It" sessions involving senior management from both the service area and Finance.

Further actions are being taken to strengthen and enhance financial management including:

- The "Finance Foundations" move to a Business Partner/Shared Services Centre structure is being implemented in September 2011, with a number of staff scheduled to depart. We aim to minimise disruption through this new operating model for Finance.
- New routines for monthly reporting of both Revenue and Capital have been implemented from the start of the new financial year.
- We will be extending the detailed Delivery Assurance process (as outlined above) from 2011/12 to include 2012/13 savings plans.
- Underlying system improvements, including rationalising account codes and introducing better management reporting through the "Insight" reporting tool are being rolled out.
- Through "Finance Foundations" and the internal audit programme, we are looking to a significant streamlining of processes combined with better manager guidance to increase the effectiveness of financial management.
- We have a specific focus on improving income and debt management. This could be useful mitigating factor in managing the 2011/12 financial year outturn.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) TRANSITION

The adoption of IFRS by the Financial Reporting Advisory Board and the development of a code for local authorities have been developed by CIPFA. This is part of a wider public sector move to international accounting standards. The code applies to accounting periods commencing on or after 1 April 2010 with 2010/11 Statement of Account for City of Westminster prepared under IFRS based on the Code of Practice on Local Authority Accounting and supersedes the Statement of Recommended Practice (the SORP 2009).

To enable the comparison of accounts and the translation of balances prepared under SORP to IFRS, the City of Westminster was required to restate balances as at 31 March 2009 and 31 March 2010, representing opening and closing balances.

Major impacts of IFRS on the Council include:

- The ability of Westminster to compare its financial performance and position with that of commercial entities. However, the code has introduced new accounting standards (IPSAS) which compliment IFRS to ensure there is minimal impact on general fund and HRA usable reserves, and therefore no impact on the tax payer.

- Greater levels of transparency through the introduction of new financial statements and additional disclosures.

- Further investment in the Council's existing financial systems and in certain circumstance there has been a necessity to purchase and implement new software.

- The requirement to restate the Council's Balance Sheet at 31 March 2009 and 31 March 2010 and also to restate the Council's Income and Expenditure Account for the year 2009/10. The 2010/11 accounts therefore include restated figures for the periods mentioned.

IFRS compliance will become part of the standard agenda for the City of Westminster. IFRS is a regulatory requirement which acts as an enabler for the Council to fully understand all of its activities and the costs of those activities. Improved information and data capture will inevitably lead to improved decision making and financial standing of the authority.

Barbara Moorhouse
Strategic Director, Finance and Performance
Westminster City Council
Westminster City Hall
64 Victoria Street
London SW1E 6QP

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Strategic Director of Finance and Performance.

- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

- to approve the Statement of Accounts.

Strategic Director of Finance and Performance's Responsibilities

The Strategic Director of Finance and Performance is responsible for the preparation of the authority's statement of accounts and of its Pension Fund Statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code'), are required respectively to present fairly the financial position of the authority and of the Pension Fund at the accounting date and the income and expenditure for the year then ended.

In preparing these statements of accounts, the Strategic Director of Finance and Performance has:

- adopted suitable accounting policies and then applied them consistently except where policy changes have been noted in these accounts.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code.

The Strategic Director of Finance and Performance has also:

- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Barbara Moorhouse
Strategic Director, Finance and Performance

APPROVAL OF STATEMENT OF ACCOUNTS

The Statement of Accounts was approved by the Audit and Performance Committee

Councillor Tim Mitchell
Chairman of the Audit and Performance Committee

ANNUAL GOVERNANCE STATEMENT

1. SCOPE OF RESPONSIBILITY

Westminster City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the code can be obtained from the Council, Cabinet and Committee Scrutiny Secretariat. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place in the Council for the year ended 31 March 2011 and up to the date of approval of the annual report and statement of accounts.

3. THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the Council's governance arrangements are:

- A City Plan, Westminster's sustainable community strategy, which sets out a shared vision for Westminster and was developed jointly with the Westminster City Partnership which brings together representatives of the public, voluntary and business sectors.
- An annual programme of priorities and service improvements to support delivery of the Council's vision, and a transformation programme aimed at reducing costs and improving services and customer satisfaction.
- A medium term financial strategy which is reviewed and updated annually to support the achievement of the Council's corporate priorities.
- An annual strategic business planning process to define how the organisation will deliver the strategy underpinning the budget, its living city priorities and track the critical indicators of service quality and associated risks to delivery through the performance management framework.
- A Strategic Executive Board (SEB) which is responsible for the overall management of the Council. SEB also have responsibility for reviewing and challenging Council performance and business plan delivery.
- A performance framework to track and report on the business plan delivery. The framework will involve monitoring and reporting of performance/risk at both operational and strategic levels. This includes monthly summary reports to SEB and Senior Leadership Teams on delivery milestones and critical service measures supplemented by a quarterly strategic review that will focus on delivery and exceptions in more detail.
- Full engagement on Performance with elected Members through Informal Cabinet and Audit and Performance Committee.
- Business continuity plans which ensure that the Council can maintain delivery of its business critical services, regularly tested emergency planning arrangements, a corporate health and safety policy and insurance policies to cover the Council's key financial risks.
- A local Code of Corporate Governance, incorporating Members and Employees Codes of Conduct, which stipulates the regulations and standards required to be followed by officers and elected members and includes a protocol on officer/member relations.
- A schedule of delegations setting out the functions that Senior Managers may discharge on behalf of the Council.
- A Westminster Scrutiny Commission that oversees the work of the Council's Policy and Scrutiny Committees which conduct an annual programme of scrutiny reviews, establish Task Groups to scrutinise critical service areas, and have powers to call in and challenge decisions prior to implementation.
- An Audit and Performance Committee which is independent of both the executive and the Policy and Scrutiny function, and whose role includes maintaining an overview of the Council's governance framework and the financial and service performance of key Council functions.

- A Standards Committee which is responsible for promoting high standards of conduct by councillors and officers, monitoring the operation of the Members Code of Conduct, and maintaining an overview of ethical standards across the Council.
- A Head of Legal and Democratic Services whose functions include maintaining the Constitution and Code of Corporate Governance, overseeing compliance with the law, and supporting the Standards Committee.
- The Strategic Director, Finance and Performance who is responsible for the proper administration of the Council's financial affairs and for ensuring the lawfulness and financial prudence of financial transactions.
- A Statutory and Corporate Governance Group (comprising the Chief Executive, Strategic Director, Finance and Performance and Head of Legal and Democratic Services) which oversees the Council's governance arrangements and promote best practice through the Governance Working Group.
- A set of Financial Regulations and a Procurement Code which stipulate how the financial management of the Council and the letting of contracts are to be conducted.
- A Gate Review Process which oversees the letting and performance of the Council's key contracts.
- An internal audit service whose role includes reviewing the effectiveness of the Council's control systems in accordance with the standards set out in the Code of Practice for Internal Audit in Local Government.
- An anti-fraud and corruption strategy which outlines the Council's commitment to preventing and detecting fraud and corruption, a dedicated fraud investigation team, and a freephone hotline for members of the public to report suspicions.
- A whistleblowing policy which encourages staff to raise concerns about potential malpractice in the Council, and provides protection to them when they do so.
- A corporate complaints handling procedure which sets out how complaints will be investigated, recorded, and monitored; and a separate procedure for social services complaints to ensure compliance with statutory requirements.
- A Human Resources framework which sets out the Council's approach to managing people and its policies and procedures for doing so including recruitment and release, remuneration, performance management, employee relations and the required standards of employee conduct.
- Member and officer training and development programmes to support high standards of conduct and promote effective performance of roles.
- A Knowledge and Information Board that oversees the Council's Information Governance arrangements. The board is supported by a network of Information Champions covering all business areas that ensure adherence to policies and best practice initiatives in this area.

In addition:

- The Council delivers a significant proportion of its services through its strategic partnership contract with Vertex. The direction and performance of the partnership is governed through regular meetings of the Partnership Management Board and Commercials Board.
- The Council has established an arms length management organisation (CityWest Homes), a wholly owned subsidiary limited by guarantee, to manage its housing stock and deliver some of its housing responsibilities. CityWest Homes has adopted a formal governance structure, and manages its internal affairs and delegated budgets through the Company's Board and four board committees: Finance and Audit Committee; Customer Services Committee; Development & Building Services Committee; and Remuneration, Employment & Diversity Committee. Performance is also monitored through a regular review process with senior Council officers and members. The Company operates its own risk management strategy and is subject to internal and external inspection and audit in compliance with the Companies Acts.
- The Council has established WestCo Trading Limited to take advantage of trading powers introduced by the Local Government Act 2003. The company is wholly owned by the Council and is governed by a board of directors comprising senior Council officers, an elected member and an independent director. Accounts are independently prepared and lodged annually with Companies House.
- The Council has also established Westminster Community Homes, a registered Industrial and Provident society, to develop its Community Build Programme and Temporary to Settled Homes Scheme. It is governed by a board of directors comprising representatives from the Council, CityWest Homes and residents and is chaired by an independent nominee.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

In practice the Council has a continuous process in place for maintaining and reviewing the effectiveness of its governance framework including the following mechanisms:

- Monthly performance monitoring by senior managers and Cabinet members. The results for the year confirm good performance against priorities and targets and high levels of customer satisfaction. There is an overspend of approximately £12m against service budgets for the year, arising from reductions in income and increased demand for services. This is in addition to the £5 million reserves supporting the budget as per the 2010/11 Council Tax report. This is being funded from the Council's reserves, leaving an anticipated reserve level of £15.1m.
- Quarterly review of performance, risks, and audit and inspection results by the Audit and Performance Committee, supplemented by more detailed consideration of a range of issues by the Committee's working groups. Areas reviewed have included procurement arrangements, property organisation, anti-fraud initiatives and internal audit planning and performance.
- Regular meetings of the Council's Policy and Scrutiny Committees, Task Groups, and the Westminster Scrutiny Commission which have included question and answer sessions with the Leader of the Council and consideration of a range of specific areas as set out in the annual Policy and Scrutiny Committee report.
- Regular meetings of the Standards Committee on a range of matters including the Audit Commission's ethical governance audit, annual overview report on ethical standards, review of protocols for dealing with local complaints and guidance on Members' interests.
- An in depth review and scrutiny of the Council's Constitution and Code of Governance undertaken at least every 4 years, in addition to regular revisions to update and amend the content of these documents as necessary. The most recent in depth scrutiny of both the Constitution and the Code of Governance took place in August 2010.
- A new Schedule of Delegations approved by Cabinet, in respect of non-executive functions and the Council, in respect of executive functions.
- A programme of compliance checks across all departments to ensure income and expenditure transactions are processed in accordance with approved regulations and procedures.
- Monthly review of internal audit results and a 91% implementation rate for priority 1 & 2 audit recommendations.
- Line managers monitoring of internal control systems and completion of self-assessments in a number of key areas.
- Regular meetings of the Governance Working Group which has overseen a number of improvements including expansion of governance training, updating of regulatory codes to reflect changes in organisational structure, a review of the Council's anti-fraud and corruption strategy and, most recently, the commencement of a Governance Risk Register to actively monitor and review governance risks to the Council.
- In 2009, the group undertook a detailed self-assessment of the Council's governance arrangements against the CIPFA/SOLACE framework. Whilst concluding that the overall governance arrangements were sound, the Group has continued to meet regularly to monitor continued compliance and oversee the implementation of a programme of improvements aimed at promoting best practice and supporting organisational change.

Managers also monitored progress against the significant internal control issues raised in the 2009/10 governance statement. Improvements have been made across all areas including strengthening of the administration of treasury management, creditors, cashiers and payroll systems. Improvements in the debtors process have resulted in a reduction in level of debt outstanding and further work is being undertaken to strengthen systems for raising, amending and cancelling debtor accounts.

The Council also draws assurance on its governance arrangements from independent sources, in particular:

- **Internal audit**

  The internal audit service undertook a risk-based programme of audits during the year to provide the Council with assurance on the adequacy of its systems of internal control. Based on its work during 2010/11, the internal auditor concluded that the Council's control systems were adequate, that its internal control framework was improving and that it is effective in implementing recommendations where problems are found. However, there were a number of important areas where the auditor considered that improvements were required to strengthen the Council's control framework. A number of recommendations have been made to address these weaknesses particularly where important controls were not imbedded into systems and where non compliance with Council procedures had been identified.

  The Council has a range of mechanisms in place, at member and officer level that provide a continuous review of the internal audit function. This includes monthly review of performance against targets, quality control checks on audit files and formal annual assessment of compliance with the standards set down in the CIPFA Code of Practice for Internal Audit. The 2010/11 results confirm compliance with professional standards and good performance against targets. The service is also subject to regular inspection by the Council's external auditors which has confirmed that internal audit is a strong and compliant function.

- **External audit and inspection**
  The Council is subject to an annual programme of independent external audits and statutory inspections which report on the Council's governance, performance and accounting arrangements. The auditor's 2009/10 Annual Audit Letter summarises the results of that year's audit, and concludes that:

    - the Council performed well overall in its use of resources and demonstrated excellent performance in aspects of its arrangements for managing its finances and governing its business
    - the Council had proper arrangements to secure economy, efficiency and effectiveness of its use of resources
    - an unqualified opinion had been issued on the Council's financial statements, although improvements were needed for clearance of audit queries and production of final amended financial statements
    - the key controls in the accounts receivable systems need to be reviewed and strengthened

  The auditor's recommended improvements are being implemented, and the 2010/11 financial year programme of external audit coverage is in progress.

- **External review**
  The 2009/10 annual governance statement and annual audit letter highlighted the issues that arose out the award of the parking enforcement contract. An independent review was undertaken. In April 2011, following the achievement of a settlement, a follow-up review was undertaken. The report concluded that the Council had implemented all the recommendations made in the original review.

5. SIGNIFICANT GOVERNANCE ISSUES

Section 7.6 of the Budget and Council Tax Report for 2011/12 and 2012/13 identifies a number of risks and challenges to the delivery of the Council's 2011/12 Budget. These risks will be rigorously monitored and managed throughout the year however depending on the evolution of these risks they could present some issues under the Council's Statutory Framework.

The following actions are in progress:

ISSUE	ACTIONS REQUIRED
Further strengthen the practices that support the Council's major contract re-lets.	Actions include improving the level of guidance in the procurement code around competitive dialogue & contract award debriefing, consistency of gate review records, application of risk management methodologies within procurement exercises and improving the effectiveness of independent challenge during procurement exercises.
Improve internal controls within local systems for administering debtor accounts.	Areas requiring attention include addressing failures to obtain appropriate authorisations; the use of incorrect stationery; insufficient documentation being maintained to substantiate the raising and cancelling of debts.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Mike More
Chief Executive

Colin Barrow
Leader of the Council

STATEMENT OF ACCOUNTING POLICIES

1. Introduction and Code of Practice

The Statement of Accounts summarises the Council's transactions for the 2010/11 financial year and its position at the year-end of 31 March 2011. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2003, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 and the Best Value Accounting Code of Practice 2010/11, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

For example, the insurance reserve sets aside amounts in order to meet potential claims that may be required to be met by the Council within the agreed excess limits with the insurers. Where some or all of the payment required to settle a provision is expected to be recovered from a third party this will only be recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

4. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies. The Council has the following reserves:-

Usable Reserves	Unusable Reserves
General Fund Balance	Capital Adjustment Account
Earmarked Reserves	Revaluation Reserves
Housing Revenue Account	Collection Fund Adjustment Account
Earmarked HRA Reserves	Financial Instrument Adjustment Account
DSO Surpluses Account	Accumulated Absences Account
Schools Reserves	Pensions Reserve
Capital Receipts Reserve	Deferred Capital Receipts
Capital Grants Unapplied	

5. Government Grants and Contributions

(i) Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

(ii) Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

(iii) Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

(iv) When capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

(v) Where a revenue grant meets the recognition criteria set out in paragraph 5(i) above, it should be recognised in the Comprehensive Income and Expenditure Statement immediately unless there is a condition (as opposed to a restriction) that the authority has not satisfied. A condition arises where the grant must be returned to the grantor if not used as set out in the terms of the grant. Where the terms of the grant set out how it must be used but do not require the grant to be returned to the grantor where the terms are not complied with, this is a restriction and the grant should be recognised in the Comprehensive Income and Expenditure Statement immediately.

6. Employee Benefits

(a) Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

(b) Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

(c) Post Employment Benefits

Employees of the Council are members of two separate pension schemes:

The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education.

The Local Government Pensions Scheme, administered by Westminster City Council and the London Pension

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

(d) The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

The liabilities of the Westminster City Council pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are measured on an actuarial basis discounted to present value, using the projected credit method. The discount rate to be used is determined in reference to market yields at balance sheet date of high quality corporate bonds.

The assets of Westminster City Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

• quoted securities – current bid price
• unquoted securities – professional estimate
• unitised securities – current bid price
• property – market value.

The change in the net pensions liability is analysed into seven components:

Current Service Cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

Past Service Cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs

Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

Expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

Gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs

Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve

Contributions paid to the Westminster City Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

(e) Discretionary Benefits

The Council provides discretionary post employment benefits which arise from additional service awarded on a discretionary basis. These benefits are unfunded with costs met directly from the Council's revenue account.

7. VAT

The Comprehensive Income and Expenditure Account excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure account.

8. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice 2010/11 (BVACOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the provision of post employment unfunded benefits awarded on a discretionary basis and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in BVACOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

9. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.)

When decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- when there is not a balance within the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

10. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

(a) The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

(b) The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

11. Private Finance Initiative (PFI/PPP) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI & Similar Contractual operator is analysed into two elements:

- finance cost – an interest charge of the effective rate of interest on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- payment towards liability – applied to write down the Balance Sheet liability to the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)

12. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

13. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

14. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

15. Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

16. Borrowing Costs

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The Council charges the transaction loan fee for new borrowing to the loans pool and amortises over the life of the loan.

17. Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Council Dwellings are depreciated on a straight line basis. However, in line with the Major Repairs Allowance (MRA) – when using MRA as a proxy for depreciation, authorities should take care to ensure that the debit is the MRA calculated in relation to the particular financial year, rather than cash paid (i.e. any advances of future years
- Vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- infrastructure – straight-line allocation over 10 - 15 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Each major item of capital expenditure will be considered against the asset value if a separate component is identified before a decision is taken to adopt a differing useful life for depreciation purposes.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

18. Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

19. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. The fair value of loans are valued at carrying value because it is not possible to derive a fair market value for the types of loans currently held by the Council. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified into two types:

• loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
• available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments – the Council does not currently hold any Financial Assets in this category.

The fair value of fixed term cash deposits is valued at carrying value because these assets cannot be sold and hence there is no market valuation.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

20. Cash and Cash Equivalents

Cash and cash equivalents is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

21. Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate, (based on the mid-point of the buying and selling rates), at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

22. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service,
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off,
- amortisation of intangible fixed assets attributable to the service.

23. Minimum Revenue Provision (MRP)

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis or as determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (MRP or loans fund principal), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

24. Events After the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

25. Area Based Grant

Area Based Grant (ABG) is a general grant allocated by central government directly to local authorities as additional revenue funding. ABG is non-ring fenced and is credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

26. Collection Fund (England)

The Collection Fund Statement is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund in accordance with section 89 of the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992).The Collection Fund shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates. There is no requirement for a Collection Fund Balance Sheet since the assets and liabilities arising from collecting non-domestic rates and council tax belong to the bodies (i.e. major preceptors, the billing authority and the Government).

27. Tax Income

Council Tax Income

Council tax income included in the Comprehensive Income and Expenditure Statement for the year shall be the accrued income for the year. Each major preceptor's share of the accrued council tax income would be available from the information that is required to be produced in order to prepare the Collection Fund Statement.

Since the collection of council tax is in substance an agency arrangement, the cash collected by the billing authority from council tax debtors belongs proportionately to the billing authority and the major preceptors. There will therefore be a debtor/creditor position between the billing authority and each major preceptor to be recognised since the net cash paid to each major preceptor in the year will not be its share of cash collected from council taxpayers. If the net cash paid to a major preceptor in the year is more than its proportionate share of net cash collected from council tax debtors/creditors in the year, the billing authority shall recognise a debit adjustment for the amount overpaid to the major preceptor in the year and the major preceptor shall recognise a credit adjustment for the same amount to the debtor/creditor position between them brought forward from the previous year. If the cash paid to a major preceptor is less than its proportionate share of net cash collected in the year from council tax debtors/creditors, the billing authority shall recognise a credit adjustment for the amount underpaid to the major preceptor in the year and the major preceptor shall recognise a debit adjustment for the same amount to the debtor/creditor position between them brought forward from the previous year.

The Cash Flow Statement of the billing authority shall include within operating activities only its own share of council tax net cash collected from council tax debtors in the year; and the amount included for precepts paid shall exclude amounts paid to major preceptors. The difference between the major preceptors' share of the net cash collected from council tax debtors and net cash paid to major preceptors as precepts and settlement of the previous year's surplus or deficit on the Collection Fund shall be included within financing activities in the Cash Flow Statement. The Cash Flow Statement of a major preceptor shall include within operating activities the net council tax cash received from the Collection Fund in the year (i.e. the precept for the year plus its share of Collection Fund surplus for the previous year, or less the amount paid to the Collection Fund in respect of its share of the previous year's Collection Fund deficit). The difference between the net cash received from the Collection Fund and the major preceptor's share of cash collected from council tax debtors by the billing authority in the year shall be included within financing activities in the Cash Flow Statement.

28. National Non-Domestic Rates (NNDR)

Billing authorities in England, Scotland and Wales collect NNDR under what is in substance an agency arrangement with each jurisdiction's Government. It therefore follows that:-

- NNDR income is not the income of the authority and shall not be included in its Comprehensive Income and Expenditure Statement. The cost of collection allowance is income of the authority and shall be included in this statement.
- NNDR Debtor and Creditors balances for impairments and doubtful debts shall not be recognised in the billing authority's Balance Sheet as they are not Assets or Liabilities of the Authority.
- Cash collected from NNDR payers by the Authority belongs to the government and amounts not yet paid to the Government at the balance sheet date shall be included as a Creditor in the Authority's Balance Sheet or alternatively a Debtor if cash is owed by the Government to the Local Authority.
- The only items to be included in the Cashflow are the Cost of Collection Allowance as a cash inflow and the difference between cash collected from NNDR taxpayers and the amount paid into the NNDR pool shall be included within financing activities in the Cash Flow Statement
- Other costs such as the cost of recovery for unpaid NNDR debts are income of the billing authority.

29. Business Improvement Districts (BIDS)

A Business Improvement District (BID) scheme applies across the whole of the Council. The scheme is funded by a BID levy paid by non-domestic ratepayers. The Council acts as principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

30. Interests in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

31. Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula. Work in progress is subject to an interim valuation of the year-end balance recorded in the Balance Sheet at cost plus any profit reasonably attributable to the works.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

32. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

For 2010/11 the only accounting policy change that needs to be reported relates to FRS 30 Heritage Assets. See Note BS_33 for further disclosures on this change.

Statement of Accounting Polices for Group Accounts

1. Basis of Consolidation

The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Council, CityWest Homes Ltd, Westminster Community Homes and WestCo Trading Ltd. All companies have been incorporated as wholly owned subsidiaries. Consequently any gains and losses arising from these companies are fully reflected in the Group Income and Expenditure Account and the Group Statement of Total Recognised Gains and Losses.

2. Accounting Policies

Group Accounts are prepared using consistent accounting policies, aligning the Council's Financial Statements more closely with UK GAAP (where material) by requiring the figures for subsidiaries, associates and joint ventures to include valuations for fixed assets (and depreciation based on these valuations).

3. Retirement Benefits

The employees of CityWest Homes Ltd are members of a company occupational pension scheme, which is a defined benefits scheme. Accounting policies consistent with those of the council have been adopted. In addition, there are no transactions between the Group Income and Expenditure Account and the Pensions Reserve in relation to movements in the net pensions liability for CityWest Homes Ltd, such that the amounts debited and credited to the Account are reflected in the Group Income and Expenditure Reserve.

4. Value Added Tax

VAT paid by other group entities is accounted for in the Group Income and Expenditure Account to the extent that it is irrecoverable from HM Revenue & Customs.

5. Charges Against the Group Income and Expenditure Reserve

There are no transactions between the Group Income and Expenditure Account and the Capital Adjustment Account in relation to charges for fixed assets held by CityWest Homes or WestCo, such that the amounts debited and credited to the Account are initially reflected in the Group Income and Expenditure Reserve.

However, a transfer is made from the Revaluation Reserve to the Group Income and Expenditure Reserve for the difference between depreciation charged on the current value of fixed assets held by CityWest Homes or WestCo and what would have been the historical cost depreciation for the year.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The statement shows the economic cost in year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations: this may be different from the accounting cost. The taxation position, general fund, is shown in the Movement in Reserves statement.

Year Ended 31 March 2010 Gross Expenditure £'000	Year Ended 31 March 2010 Gross Income £'000	Year Ended 31 March 2010 Net Expenditure £'000		Note	Year Ended 31 March 2011 Gross Expenditure £'000	Year Ended 31 March 2011 Gross Income £'000	Year Ended 31 March 2011 Net Expenditure £'000
53,928	- 28,117	**25,810**	Central Services to the public		50,746	- 30,720	20,026
130,929	- 30,445	**100,484**	Cultural, environmental, regulatory and planning services		124,774	- 29,635	95,139
251,467	- 180,918	**70,550**	Education and children services		245,458	- 184,314	61,144
103,472	- 88,258	**15,214**	Highways and transport services		107,259	- 91,454	15,805
79,592	- 92,618	**- 13,026**	Local authority housing (HRA)		435,023	- 100,544	334,479
347,832	- 323,871	**23,961**	Other housing services		365,820	- 331,214	34,606
146,077	- 50,111	**95,966**	Adult social care		143,513	- 53,981	89,532
9,296	-	**9,296**	Corporate and democratic core		9,986	-	9,986
5,173	-	**5,173**	Non distributed costs	CIES_2	- 113,163	-	- 113,163
4,007	-	**4,007**	Exceptional Costs - Organisational Restructure	CIES_3	-	-	-
1,131,773	**- 794,338**	**337,435**	**Cost of services - continuing operations**		**1,369,417**	**- 821,861**	**547,555**
		3,128	Other operating expenditure	CIES_4			- 25,396
		24,202	Financing & Investment Income and Expenditure	CIES_5			- 62,293
		-	Surplus or Deficit of Discontinued Operations	CIES_6			-
		- 300,608	Taxation and Non -Specific Grant Income	CIES_7			- 317,882
		64,157	**(Surplus) or Deficit on Provision of Services**				**141,985**
		-	Surplus or deficit on revaluation of available for sale financial assets				-
		- 207,407	(Surplus) or deficit arising on revaluation of fixed assets				317,517
		107,041	Actuarial (gains) or losses on pension assets and liabilities				- 16,830
		-	Other comprehensive income and expenditure				-
		- 36,208	**Total comprehensive income and expenditure**				**442,672**

MOVEMENT IN RESERVES STATEMENT

The statement shows the movement in year on reserve balances held by the authority. Usable reserves may be used to fund expenditure or reduce local taxation. Unusable reserves are other reserve balances and together with usable reserves collectively represent total reserve balances held by the authority. The deficit on provision of services represents the true economic cost of providing the authority's services, a detailed analysis of these costs is presented within the authority's Comprehensive Income & Expenditure Account. The Comprehensive Income & Expenditure Account figures are different from the statutory amounts required to be charged to the General Fund and HRA Accounts for Council Tax and Dwelling Rent setting purposes. The net increase/decrease before transfers to Earmarked Reserves shows the statutory balance prior to any discretionary transfers taken to other specific reserve balances held by council.

	Revenue Reserves						Capital Reserves											
	General Fund Balance £'000	Earmarked Reserves £'000	Housing Revenue Account £'000	Earmarked HRA Reserves £'000	DSO Surpluses Account £'000	Schools Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Capital Adjustment Account £'000	Revaluation Reserve £'000	Collection Fund Adjustment Account £'000	Financial Instrument Adjustment Account £'000	Accumulated Absences Account £'000	Deferred Capital Receipts £'000	Pensions Reserve £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Balance at 31 March 2009	60,090	47,053	88,665	0	215	4,568	5,685	568	206,845	1,747,762	164,063	-673	-3,262	-3,305	239	-374,338	1,530,486	1,737,331
Movement in reserves during 2009/10																		
Surplus or (deficit) on provision of services (accounting basis)	-72,273	-	8,116	-	-	-	-	-	-64,157	-	-	-	-	-	-	-	-	-64,157
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income and Expenditure	-72,273	-	8,116	-	-	-	-	-	-64,157	-	-	-	-	-	-	-	-	-64,157
Adjustments between accounting basis and funding basis under regulations	23,617	-	-3,987	-	-	-	1,231	3,303	24,164	-3,151	-	-493	882	-266	-	-128,177	-131,205	-107,041
Net increase / Decrease before transfers to Earmarked Reserves	-48,656	-	4,129	-	-	-	1,231	3,303	-39,993	-3,151	-	-493	882	-266	-	-128,177	-131,205	-171,198
Transfers to / from Earmarked Reserves	20,962	-20,814	-	-	73	-222	-	-	-1	-10,872	216,209	-	-	-	2,770	-	208,107	208,106
Increase / Decrease In Year	-27,694	-20,814	4,129	-	73	-222	1,231	3,303	-39,994	-14,023	216,209	-493	882	-266	2,770	-128,177	76,902	36,908
Balance at 31 March 2010 carried forward	**32,396**	**26,240**	**92,794**	**-**	**288**	**4,346**	**6,916**	**3,871**	**166,851**	**1,733,739**	**380,272**	**-1,167**	**-2,380**	**-3,571**	**3,009**	**-502,515**	**1,607,387**	**1,774,238**
Movement in reserves during 2010/11																		
Surplus or (deficit) on provision of services (accounting basis)	181,681	-	-323,666	-	-	-	-	-	-141,985	-	-	-	-	-	-	-	-	-141,985
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income and Expenditure	181,681	-	-323,666	-	-	-	-	-	-141,985	-	-	-	-	-	-	-	-	-141,985
Adjustments between accounting basis & funding basis under regulations	-196,695	-	327,177	-	-	-	-2,304	770	128,947	-234,547	-	204	1,327	534	-	120,365	-112,117	16,830
Net Increase / Decrease before Transfers to Earmarked Reserves	-15,014	-	3,511	-	-	-	-2,304	770	-13,037	-234,547	-	204	1,327	534	-	120,365	-112,117	-125,155
Transfers to / from Earmarked Reserves	-1,804	-703	-	-	254	2,252	-3,894	-	-3,895	-23,669	-289,667	-	-	-	-287	-	-313,623	-317,518
Increase / Decrease In Year	-16,818	-703	3,511	-	254	2,252	-6,198	770	-16,932	-258,216	-289,667	204	1,327	534	-287	120,365	-425,739	-442,672
Balance at 31 March 2011 carried forward	15,578	25,537	96,305	-	542	6,598	718	4,641	149,919	1,475,522	90,606	-963	-1,053	-3,037	2,722	-382,150	1,181,648	1,331,567

BALANCE SHEET

The Balance Sheet shows the values of assets and liabilities held by authority. The net assets of the authority are matched by the reserves held by the authority. The reserves are presented within two categories, usable reserves and non-usable reserves. Usable reserves may be used to provide services subject to statutory limitations on their use and the need to maintain prudent reserve levels for financial stability. Unusable reserves cannot be used to fund council services.

31 March 2009 £'000	31 March 2010 £'000	ASSETS	NOTES	31 March 2011 £'000
		Non-current		
2,006,897	2,220,799	Property, plant and equipment	BS_1	1,554,400
240,367	243,100	Investment property	BS_2	284,657
259	566	Intangible Assets	BS_3	1,675
190,734	192,719	Long -term investments	BS_4	94,749
-	-	Other capitalised expenditure	BS_15	2,083
27,107	36,301	Long -term debtors	BS_5	39,199
2,465,364	**2,693,485**	**Total long term assets**		**1,976,763**
		Current		
158,663	24,753	Short-term investments	BS_4	21,932
1,307	1,480	Inventories	BS_6	1,781
71,567	54,196	Short-term debtors	BS_5	63,366
9,302	4,468	Cash and other cash equivalents	BS_7	98,794
-	40,714	Assets held for sale	BS_8	121,991
240,839	**125,610**	**Current assets**		**307,864**
		LIABILITIES		
9,423	4,132	Short-term borrowing		3,757
219,637	176,016	Short-term creditors	BS_9 + 10	185,306
229,060	**180,148**	**Current Liabilities**		**189,063**
2,757	13,495	Long-term creditors	BS_9	13,250
14,201	14,205	Provisions	BS_11	15,943
242,080	238,469	Long-term borrowing		268,387
373,505	506,741	Other long-term liabilities	BS_21	382,150
-	-	Donated Assets Account		-
107,269	91,800	Capital Grants - Receipts in Advance	BS_19	84,267
739,812	**864,710**	**Long-term liabilities**		**763,997**
1,737,331	**1,774,238**	**Net assets**		**1,331,567**
206,606	166,851	Total Usable Reserves		149,919
1,530,725	1,607,388	Total Unusable Reserves	BS_12	1,181,648
1,737,331	**1,774,238**	**Total Reserves**		**1,331,567**

CASHFLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of both the authority and the group during the reporting period.
The Statement shows how the authority/group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority/group are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing to the authority/to and from the group.)

CITY OF WESTMINSTER
ENTITY AND GROUP CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2011

	2010/11 £'000	2009/10 £'000
Net Surplus/Deficit on the Provision of Services	- 141,985	- 67,193
Adjustments to net surplus/deficit on the provision of services for non cash movements	197,427	1,341
Adjustments for items included in the net surplus/deficit on the provision of services that are Investing & Financing activities	22,363	64,110
NET CASH FLOWS FROM OPERATING ACTIVITIES (NOTE AA)	77,805	- 1,742
NET CASHFLOWS FROM INVESTING ACTIVITIES (NOTE BB)	- 13,022	5,814
NET CASHFLOWS	64,783	4,072
NET CASHFLOWS FROM FINANCING ACTIVITIES (NOTE CC)	29,543	- 8,906
Increase/(Decrease) in Cash and Cash equivalents	94,326	- 4,834
Cash and cash equivalents at start of reporting period	4,468	9,302
Cash and cash equivalents at end of reporting period (Note DD)	**98,794**	**4,468**

Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2009/10 £'000		2010/11 £'000
13,227	Interest Received	5,024
-14,893	Interest Paid	-14,844
-	Dividends Received	-
-1,666	**Net cash flows from operating activities**	**-9,820**

Cash Flow Statement - Investing Activities

2009/10 £'000		2010/11 £'000
-176,873	Purchase of property, plant and equipment, investment property and intangible assets	-171,158
-68,804	Purchase of short-term and long-term investments	6,463
-24,567	Other payments for investing activities	-15,055
2,576	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	31,535
152,229	Proceeds from short-term and long-term investments	-
121,253	Other receipts from investing activities	135,193
5,814	**Net cash flows from investing activities**	**-13,022**

Cash Flow Statement - Financing Activities

2009/10 £'000		2010/11 £'000
3	Cash receipts of short- and long-term borrowing	29,990
-	Other receipts from financing activities	-
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	-
-8,909	Repayments of short- and long-term borrowing	-447
-	Other payments for financing activities	-
-8,906	**Net cash flows from financing activities**	**29,543**

SEGMENTAL REPORTING

For the year ended 31 March 2011	SEB & Strategic Support	Commissioners	Finance & Performance	Resources & CSI	Adult Services	Children's Services	Housing	Built Environment	City Management	Corporate Items	ABG Funding, Levies & PFI	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges & Other Service Income	-4,335	-157	-5,410	-17,663	-12,291	-5,365	-25,106	-6,770	-107,005	-3,308	-	-187,410
Government Grants	-815	-2,455	-21,050	-120	-44,169	-148,499	-283,877	-2,696	-460	-	-31,026	-535,169
Total Income	-5,150	-2,612	-26,460	-17,783	-56,460	-153,865	-308,983	-9,466	-107,464	-3,308	-31,026	-722,578
Employee Expenses	9,729	10,715	17,808	10,731	25,644	109,539	212	10,146	20,007	3,216	-	217,748
Other Operating Expenses	4,837	-1,490	26,389	43,392	129,660	86,168	333,386	15,208	94,521	16,920	2,646	751,636
Support Service Recharges In	12,975	2,056	6,215	10,743	16,289	11,430	8,021	7,775	30,006	-	-	105,508
Support Service Recharges Out	-11,527	-6,244	-25,107	-52,506	-	-0	-	-0	-10,124	-	-	-105,508
Total Operating Expenses	16,014	5,037	25,304	12,360	171,593	207,136	341,619	33,128	134,411	20,136	2,646	969,384
Net Cost of Services	**10,864**	**2,424**	**-1,156**	**-5,423**	**115,133**	**53,271**	**32,636**	**23,662**	**26,947**	**16,828**	**-28,380**	**246,806**
Council Funding - RSG & Council Tax	-	-	-	-	-	-	-	-	-	-	-229,988	-229,988
Depreciation	155	154	346	11,797	5,325	6,648	0	26,848	5,290	-56,563	-	-
Total Including Depreciation	**11,019**	**2,578**	**-809**	**6,374**	**120,458**	**59,919**	**32,636**	**50,510**	**32,237**	**-39,735**	**-258,368**	**16,818**

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement	£'000
Cost of Services in Service Analysis	16,818
Adjustment of items reported to management but held separately on the Income & Expenditure Statement	-3,533
Inclusion of items not reported to Management to be Included in Income and Expenditure Statement	-194,965
HRA not reported in service management accounts	323,666
Net Cost of Services in Comprehensive Income and Expenditure Statement	**141,985**

Reconciliation to Subjective Analysis (Single Entity)	Service Analysis	Adjustment to Service Analysis	Items Not In Analysis	HRA Not in Analysis	Net Cost of Services	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, charges & other service income	-184,102	-	-	-	-184,102	-	-184,102
Interest and investment income	-3,308	-	-	-	-3,308	-	-3,308
Income from council tax	-48,501	-	-204	-	-48,705	-	-48,705
Distribution from non-domestic rate pool	-181,487	-	-	-	-181,487	-	-181,487
Government grants and contributions	-535,169	-	-52,750	-15,592	-603,510	-	-603,510
Total Income	**-952,566**	**-**	**-52,954**	**-15,592**	**-1,021,112**	**-**	**-1,021,112**
Employee expenses	217,748	-534	-	-	217,214	-	217,214
Financial Adjustment to Employee Pension Contributions	-	-	-3,166	-	-3,166	-	-3,166
Other service expenses	738,189	-	2,402	-15,055	725,536	-	725,536
Depreciation, amortisation and impairment	-	-	57,397	210,008	267,405	-	267,405
Interest Payments	10,801	-	-	-	10,801	-	10,801
Precepts & Levies	2,646	-	-	-	2,646	-	2,646
Contribution from Earmarked/ HRA Reserves)	-	-1,803	-	-3,511	-5,314	-	-5,314
Icelandic Bank Write Off (Statutory Guidance) Adj	-	-1,196	0	-131	-1,327	-	-1,327
Interest Cost on Pensions	-	-	53,243	-	53,243	-	53,243
Expected Return on Pension Assets	-	-	-39,682	-	-39,682	-	-39,682
Past Service Gains on Pensions	-	-	-113,930	-	-113,930	-	-113,930
Payments to/from Capital Receipts Pool	-	-	-	2,304	2,304	-	2,304
Statutory provision for the financing of capital investment	-	-	-4,115	-	-4,115	-	-4,115
Gain or Loss on Revaluation of Assets	-	-	-66,231	148,059	81,828	-	81,828
Gain or Loss on Disposal of Assets	-	-	-27,930	-2,416	-30,346	-	-30,346
					-		-
Total operating expenses	**969,384**	**-3,533**	**-142,012**	**339,258**	**1,163,097**	**-**	1,163,097
Surplus or deficit on the provision of services	**16,818**	**-3,533**	**-194,965**	**323,666**	**141,985**	**-**	**141,985**

You will need to present comparative figures

RESERVES B/F	32,396
RESERVES C/F	15,578

*Please note the adjustments to the Service items do not affect General Fund Reserves but are required under statutory guidance to be reported on the Income and Expenditure Statements

SEGMENTAL REPORTING

For the year ended 31 March 2010

	SEB & Strategic Support	Commissioners	Finance & Performance	Resources & CSI	Adult Services	Children's Services	Housing	Built Environment	City Management	Corporate Items	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges & Other Service Income	-4,982	-157	-13,246	-34	-11,009	-6,007	-37,382	-7,933	-103,176	-911	-184,837
Government Grants	-761	-1,380	-19,819	-12,559	-43,722	-162,040	-263,840	-2,135	-1,394	-13	-507,663
Total Income	-5,743	-1,537	-33,065	-12,593	-54,731	-168,047	-301,222	-10,068	-104,570	-924	-692,500
Employee expenses	10,446	6,868	19,402	13,022	27,068	112,481	44	11,028	22,460	3,284	226,104
Other operating expenses	6,183	-1,173	26,025	54,775	127,225	79,306	313,580	26,555	103,538	-29,775	706,238
Support Service Recharges	1,258	-4,068	-15,438	-49,501	19,738	12,722	6,634	6,454	22,200	1	-
Total Operating Expenses	17,887	1,627	29,989	18,296	174,031	204,509	320,258	44,037	148,198	-26,490	932,342
Net Cost of Services	12,144	90	-3,076	5,703	119,300	36,462	19,036	33,969	43,628	-27,414	239,842

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement	£'000
Cost of Services in Service Analysis	239,842
Adjustments of services not included in the Service analysis but included in the Income & Expenditure Statement	41,794
Add amounts not reported in service management accounts but held Corporately	-217,479
Net Cost of Services in Comprehensive Income and Expenditure Statement	64,157

Reconciliation to Subjective Analysis (Single Entity)	Service Analysis	Services not in Analysis	Corporate Amounts	Net Cost of Services
	£'000	£'000	£'000	£'000
Fees, charges & other service income	-184,837	-4,129	-	-188,966
Surplus or deficit on associates and joint ventures	-	-	-	-
Interest and investment income	-	11,887	-11,887	-
Income from council tax	-	-	-48,245	-48,245
Distribution from non-domestic rate pool	-	-	-145,289	-145,289
Government grants and contributions	-507,663	6,166	-60,286	-561,783
Total Income	**-692,500**	13,924	-265,707	**-944,283**
Employee expenses	226,104	-6,164	-	219,940
Other service expenses	706,238	-602	27,335	732,971
Support Service recharges	-	-	-	-
Depreciation, amortisation and impairment	-	54,466	-	54,466
Interest Payments	-	-19,830	17,765	-2,065
Precepts & Levies	-	-	2,629	2,629
Payments to Housing Capital Receipts Pool	-	-	1,156	1,156
Gain or Loss on Disposal of Fixed Assets	-	-	-657	-657
				-
Total operating expenses	**932,342**	**27,870**	**48,228**	1,008,440
Surplus or deficit on the provision of services	239,842	41,794	-217,479	64,157

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

CIES_1 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	2010/11 Usable Reserves					
	General Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	-57,184	-210,008	-	-	-	267,192
Revaluation losses on Property Plant and Equipment	-	-157,691	-	-	-	157,691
Movements in the market value of Investment Properties	66,231	9,632	-	-	-	-75,863
Amortisation of intangible assets	-213	-	-	-	-	213
Capital grants and contributions applied	51,980	3,200	-	-	-	-55,180
Movement in the Donated Assets Account	-	-	-	-	-	-
Revenue expenditure funded from capital under statute	-2,402	-	-	-	-	2,402
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-1,189	-	-	-	-	1,189
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	4,115	-	-	-	-	-4,115
Capital expenditure charged against the General Fund and HRA balances	-	15,055	-	-	-	-15,055
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	770	-	-	-	-770	0
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	-	-
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	29,119	2,416	-	-	-	-31,535
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	-	-	-
Contribution from the Capital Receipts Reserve towards administrative costs of noncurrent asset disposals	-	-	-	-	-	-
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	-	-2,304	2,304	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	-	-
Adjustments primarily involving the Deferred Capital Receipts Reserve:						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-
Adjustment primarily involving the Major Repairs Reserve:						
Reversal of Major Repairs Allowance credited to the HRA	-	12,392	-	-12,392	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	12,392	-	-12,392
Adjustment primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	1,196	131	-	-	-	-1,327
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	84,838	-	-	-	-	-84,838
Employer's pensions contributions and direct payments to pensioners payable in the year	18,697	-	-	-	-	-18,697
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	204	-	-	-	-	-204
Adjustment primarily involving the Unequal Pay Back Pay Adjustment Account:						
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	-	-	-	-	-	-
Adjustment primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	534	-	-	-	-	-534
Total Adjustments	196,695	-327,177	2,304	-	-770	128,948

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

CIES_1 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	Comparatives 2009/10 Usable Reserves					
	General Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	- 52,825	- 15,805	-	-	-	68,630
Revaluation losses on Property Plant and Equipment	-	-	-	-	-	-
Movements in the market value of Investment Properties	-	-	-	-	-	-
Amortisation of intangible assets	- 116	-	-	-	-	116
Capital grants and contributions applied	43,895	-	-	-	-	- 43,895
Movement in the Donated Assets Account	-	-	-	-	-	-
Revenue expenditure funded from capital under statute	- 1,282	-	-	-	-	1,282
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	- 788	-	-	-	788
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	3,001	-	-	-	-	- 3,001
Capital expenditure charged against the General Fund and HRA balances	-	9,206	-	-	-	- 9,206
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	-	-
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	1,445	- 1,445	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	-	-	-
Contribution from the Capital Receipts Reserve towards administrative costs of noncurrent asset disposals	-	298	289	-	-	- 587
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	-	- 1,156	1,156	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	- 1,231	-	-	1,231
Adjustments primarily involving the Deferred Capital Receipts Reserve:						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-
Adjustment primarily involving the Major Repairs Reserve:						
Reversal of Major Repairs Allowance credited to the HRA	-	12,012	-	- 12,012	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	12,012	-	- 12,012
Adjustment primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	2,065	- 1,225	-	-	-	- 840
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	- 41,151	-	-	-	-	41,151
Employer's pensions contributions and direct payments to pensioners payable in the year	20,015	-	-	-	-	- 20,015
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	- 493	-	-	-	-	493
Adjustment primarily involving the Unequal Pay Back Pay Adjustment Account:						
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	-	-	-	-	-	-
Adjustment primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-	-	-	-	-	-
Total Adjustments	- 26,891	3,987	- 1,231	-	-	24,135

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

CIES_2 NON-DISTRIBUTED COSTS

This represents pension costs which are not attributable to specific service areas and depreciation charged against surplus assets.

		2010/11 £'000	2009/10 £'000
Payment of General Fund Pensions		314	273
Depreciation charged on Surplus Assets		453	2,270
Past Service Gain (-) / Cost (+)	**Note 1**	-113,930	2,630
		-113,163	**5,173**

Note 1 See BS_21 for change of pension indexation to CPI

CIES_3 EXCEPTIONAL ITEMS

Material Items of income and expense disclosed separately.

	2010/11 £'000	2009/10 £'000
Restructuring costs	-	4,007
	-	**4,007**

Organisational Restructure

The council took the decision to restructure to a Commissioning model in 2009/10 following consideration of it's existing organisational hierarchy and attributable costs. Revenue expenditure associated with the restructure has been reported as an exceptional item within the council's Income and Expenditure account. The Council has been granted permission to capitalise redundancy costs within 2010-11.

CIES_4 OTHER OPERATING EXPENDITURE

Other operating Expenditure reported includes all levies payable (see note CIES_14 for further detail), total payments made to the Government Housing Receipts Pool in line with statutory arrangements for certain property sales within the Housing Revenue Account and gains/losses generated from in year disposals of non-current assets.

	2010/11 £'000	2009/10 £'000
Levies	2,646	2,629
	-	
Payments to the Government Housing Capital Receipts Pool	2,304	1,156
Gains/losses on the disposal of non-current assets	-30,346	-657
Total	**-25,396**	**3,128**

CIES_5 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2010/11 £'000	2009/10 £'000
Interest payable and similar charges	16,231	17,765
Pensions interest cost and expected return on pensions assets	13,561	27,335
Interest receivable and similar income	-5,273	-11,887
Income and expenditure in relation to investment properties and changes in their fair value	-85,948	-8,275
Impairment of deposits with Icelandic Banks	80	386
Interest due not received from Icelandic Banks	-534	-712
Other investment income - PFI Income	-410	-410
Total	**-62,293**	**24,202**

CIES_6 ACQUIRED AND DISCONTINUED OPERATIONS

There have been no acquired operations in 2010-11. The Council has not discontinued any of it's existing operations within 2010-11.

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

CIES_7 TAXATION AND NON SPECIFIC GRANT INCOME

This item consolidates all non-specific grants and contributions receivable that cannot be identified to particular service expenditure and therefore cannot be credited to the gross income amount relevant to the service area. All capital grants and contributions are credited to non specific grant income even if service specific. The note also identifies the council's proportion of Council Tax and Business Rates used to fund in year business/service activities.

	2010/11 £'000	2009/10 £'000
Council tax income	48,705	48,245
Non domestic rates	158,475	145,289
Non-ring fenced government grants		
-Revenue Support Grant	23,012	33,535
-Area Based Grant	30,614	16,378
-Local Authority Business Growth Incentive Scheme Grant	1,096	9,935
-Distribution of London Residuary Body surpluses	31	28
Capital grants and contributions applied	55,180	43,895
Capital grants and contributions received without conditions	770	3,303
Total	**317,882**	**300,608**

CIES_8 AGENCY SERVICES

	2010/11 £'000	2009/10 £'000
Expenditure incurred in providing services		
Partners In Parking	120,257	116,646
Transport for London	10,831	5,702
Inner West London Coroner's District	1,090	900
Independent Mental Capacity Act Advocate Service	-	400
Net surplus arising on the agency arrangement	**132,178**	**123,648**

Partners In Parking

Transport for London
Transport for London provided £10.8m of the funding of the Council's Capital Spend. This included £3.9m in respect of the Exhibition Road streetscape improvement scheme (undertaken with the Royal Borough of Kensington & Chelsea, it will transform the area into important public spaces in London and a major new cultural venue for the 2012 Olympics), £2.8m for the Piccadilly 2 Way scheme (which will see the existing one-way working of Pall Mall, St James's Street and Piccadilly converted to two-way working with significant improvements to the public realm) and £1.6m for the London Cycle Hire scheme.

Inner West London Coroner's District
The Inner West London Coroner's District was set up by statute following the abolition of the GLC. This arrangement will remain in place until there is any similar change in the law.

Independent Mental Capacity Act Advocate Service
Westminster City Council has a contract with seven local authorities to provide the Independent Mental Capacity Act Advocate Service. The Councils reimburse Westminster City Council for this work, including a contribution towards administrative costs totalling £8,364

CIES_9 MEMBERS' ALLOWANCES

The Authority paid the following amounts to members of the council during the year.

	2010/11 £'000	2009/10 £'000
Salaries	-	-
Allowances	960	934
Expenses	-	-
Total	**960**	**934**

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

CIES_10 OFFICERS' RENUMERATION

Remuneration disclosures for Senior Officers whose salary is £150,000 or more per year.

		Notes	Salary, Fees and Allowances	Private Health Insurance	Bonuses	Expenses Allowances	Compensation for Loss of Office	Pension Contributions	Total
Strategic Director of Finance and Performance - Barbara Moorhouse	2010/11		163,326	1,918	-	332	-	27,040	**192,617**
	2009/10	**1**	41,713	-	4,537	-	-	7,041	**53,292**
Chief Executive -Mike More	2010/11		200,379	-	-	164	-	32,061	**232,604**
	2009/10		200,379	-	-	-	-	34,121	**234,500**
Head of Procurement - David Loseby	2010/11	**2**	164,426	-	-	-	-	-	**164,426**
	2009/10		262,800	-	-	-	-	-	**262,800**

Notes

1 Strategic Director of Finance and Performance - Started January 2010. Actual post yearly salary is £163,326

2 Agency staff covering a vacant post. Cost paid to Langley Agency for April to December 2010/11.

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	2010/11 Number of employees	2009/10 Number of employees
£50,000 - £54,999	101	115
£55,000 - £59,999	56	62
£60,000 - £64,999	58	61
£65,000 - £69,999	44	46
£70,000 - £74,999	28	14
£75,000 - £79,999	14	15
£80,000 - £84,999	14	18
£85,000 - £89,999	19	16
£90,000 - £94,999	9	7
£95,000 - £99,999	-	7
£100,000 - £104,999	8	1
£105,000 - 109,999	1	4
£110,000 - £114,999	3	-
£115,000 - £119,999	1	3
£120,000 - £124,999	1	5
£125,000 - £129,999	2	-
£130,000 - £134,999	3	-
£160,000 - £164,999	-	1
£165,000 - £169,999	1	-
£200,000 - £204,999	1	1
	364	376

CIES_11 EXTERNAL AUDIT FEES

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

	2010/11 £'000	2009/10 £'000
Fees payable to Audit Commission with regard to external audit services carried out by the appointed auditor for the year	460	425
Fees payable to Audit Commission in respect of statutory inspections	28	20
Fees payable to Audit Commission for the certification of grant claims and returns for the year	90	82
Fees payable in respect of other services provided by Audit Commission during the year	21	32
Total	599	559

CIES_12 RELATED PARTIES

This disclosure note has been prepared using the Council's Register of Members' Declarations of Interest in addition to a specific declaration obtained in respect of related party transactions from Members and Chief Officers. The disclosure identifies related party relationships and transactions, and identify the circumstances in which disclosures are required, in accordance with IAS 24 Related Party Disclosures except where interpretations or adaptations to fit the public sector are detailed in the code.

	2010/11 Income(-) /Expenditure £'000	2009/10 Income(-) /Expenditure £'000
Central Government		
Revenue Grants	- 456,053	- 441,380
- Contribution to NNDR Pool	1,196,807	1,095,665
- Capital Grants & Contributions	- 53,875	- 63,210
- Levy by the Environment Agency	258	292
Precepting Authorities and Other Bodies		
- Greater London Authority precept	39,774	39,728
Levying Bodies – Levies paid:		
- London Pensions Fund Authority	1,993	1,974
- Lee Valley Authority	395	364
London Councils Contributions including Grants and Freedom Pass payments	9,358	7,485

The Council has representatives on the various boards or liaison committees of the above organisations.

Voluntary and Arts Organisations – Grants
- 10 Council Members are executive members or trustees of 17 organisations.
- The Council also has 5 members as observers at 8 organisations.

Schools in Westminster – Delegated Budgets
- 15 Members of the Council are school governors.

City of Westminster Pension Fund
- Employer's contributions in respect of employees

Four Members of the Council are Directors of CityWest Homes Ltd - Councillor Hampson, Councillor Havery, Councillor Hug, and Councillor Adams.

For the Fin Year 2010/11 Councillor Caplan is a Director and the Chairman of Westco Trading Limited, the Council's new trading subsidiary. Officer A Gilchrist is Chief Executive and Officers P Carpenter, J Corkey are Directors of the company and Officer S Parfrey is the Company Secretary. Officer M Hayman became an Independent Director in February 2010 and Councillor Chalkley was a Director until May 2010.

For the Financial Year 2010/11 the City Council's Strategic Executive Board Officer M Harrington was a Co-opted Director of NHS Westminster and served on the Commissioning Executive Committee of NHS Westminster. Payments from Adults Services Budgets to NHS Westminster in 2010/11 totalled £1.4 million. Adults Services received funding from NHSW of £34m in 2010/11 of which a significant proportion related to the joint funding arrangements under Section 75.

Officer R Westbrook is a Board Member. Westminster City Council owns 33.33%, Officer M Youkee is the Chairman of Westminster Community Homes and also owns 33.33 and the remaining 33.33% is owned by City West Homes. This is a registered charity owned by Westminster City Council which has received income from the Council and made payments to both the Council and CityWest Homes.

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

CIES_13 TRADING OPERATIONS

Following the introduction of the Local Government (Best Value and Capping) Act in July 1999, on 2 January 2000, the provisions within the Local Government Acts relating to Compulsory Competitive Tendering and associated requirements were abolished. Although DSO accounts are no longer required by statute, the Council has continued to maintain DSO accounts where organisations within the Council have won contracts as a result of tendering. This applies to both former statutory and voluntary DSOs. Details of the turnover and surplus or deficit of each DSO, is shown below.

		2010/11		2009/10		2008/09	
		£'000	£'000	£'000	£'000	£'000	£'000
Learning Disabilities	Turnover	2,154		2,207		2,303	
	Expenditure	- 1,990		- 2,172		- 2,292	
	Surplus		164		35		11
Older and Disabled People: Westminster Elderly Resource Centre DSO	Turnover	3,210		3,208		3,776	
	Expenditure	- 3,232		- 3,174		- 3,799	
	Surplus		- 22		34		- 23
Older and Disabled People: Sheltered Wardens DSO	Turnover	1,234		1,234		1,191	
	Expenditure	- 1,121		- 1,229		- 1,209	
	Surplus		113		5		- 18
Net surplus on trading operations:			**255**		**74**		**-30**

	2010/11 £'000	2009/10 £'000
Net surplus on trading operations	255	74
Services to the public included in Expenditure of Continuing Operations	-	-
Support services recharged to Expenditure of Continuing Operations	-	-
Net surplus credited to Other Operating Expenditure	**255**	**74**

CIES_14 LEVIES

All levies payable by the Authority. The costs below are classified within other operating expenditure within the Council's Comprehensive Income and Expenditure Statement.

	2010/11 £'000	2009/10 £'000
Environment Agency	258	292
Lee Valley Regional Park Authority	395	364
London Pensions Fund Authority	1,993	1,974
	2,646	**2,629**

CIES_15 DISTRIBUTION FROM NON-DOMESTIC RATE POOL

The non-domestic rate is redistributed by central Government to local authorities based on the share of formula grant received by each authority. For 2010/11, the amount received by Westminster (£158.5 million) is equal to the England distributable amount of £21.5 billion multiplied by our share of formula grant of 0.7371%.

CIES_16 STATUTORY PROVISION FOR REPAYMENT OF DEBT

The council is required by statute to set aside a minimum revenue provision (MRP) for the provision to repay external debt. The calculation of the minimum revenue position is as per Local Authority (Capital Finance and Accounting Guidance) and the authority has to provide an amount which it consider 'prudent'. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is either provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

	2010/11 £'000	2009/10 £'000
Principal Repayments (Minimum Revenue Provision)		
- General Fund	3,952	2,847
- MRP adjustment for PFI and similar arrangements	163	154
	4,115	**3,001**

(1) Under the Prudential Code, a HRA principal repayment is no longer mandatory.

CIES_17 POOLED BUDGETS

Pooled Budget for Adult Mental Health Services

An agreement between Westminster City Council & Central and North West NHS Mental Health Trust. The agreement will run for 1 year from 01/04/2010 to 31/03/2011
Type of Arrangement - Agreement Under Section 75 of the National Health Service Act 2006
Any surplus or deficit arsing from the arrangement will be shared On a risk share basis. A surplus of 1% or more will be distributed to Partners in proportion to each partners contribution

The pooled budget is hosted by CNWL as Lead Provider on behalf of the two partners to the agreement.

	2010/11 £'000	2010/11 £'000	2009/10 £'000	2009/10 £'000
Funding provided to the pooled budget:				
Westminster City Council	3,121		N/A	
Central and North West NHS Mental Health Trust	9,338		N/A	
		12,459		-
Expenditure met from the pooled budget:				
Westminster City Council	3,121		N/A	
and North West NHS Mental Health Trust	9,267		N/A	
		12,388		-
Net surplus/(deficit) arising on the pooled budget during the year		71		-
Westminster City Council share of the net surplus arising on the pooled budget		-		N/A

Surplus 0.6% is under the 1% threshold for reimbursement to WCC under the S75 Risk Share Agreement

Pooled Budget for Westminster Services for Adults Services - All Service Areas

An agreement between Westminster City Council & NHS Westminster. Budgets are agreed annually and this agreement will run for 1 year from 01/04/10 to 31/03/11
Type of Arrangement - S75
Any surplus or deficit arsing from the arrangement will be the responsibility of the respective partner to whom the surplus or deficit is attributable The pooled budget is hosted by Westminster City Council on behalf of the two partners to the agreement.

	2009/10 £'000	2009/10 £'000	2010/11 £'000	2010/11 £'000
Funding provided to the pooled budget:				
Westminster City Council	30,933		24,181	
NHS Westminster	26,994		17,659	
Other funding (NTA, Home Office)	7,019		6,660	
		64,946		48,500
Expenditure met from the pooled budget:				
Westminster City Council	30,394		26,297	
NHS Westminster	25,702		17,953	
Other funding (NTA, Home Office)	6,467		6,537	
		62,563		50,787
Net surplus/(deficit) arising on the pooled budget during the year		2,383	-	2,287
Westminster City Council share of the net surplus arising on the pooled budget		539	-	2,116

Any surplus or deficit arsing from the arrangement will be the responsibility of the respective partner to whom the surplus or deficit is attributable.

Note:
NHSW under spend 2010/11 on Learning Disability services taken as Receipt in Advance as at 31 March 2011

CIES_18 TERMINATION BENEFITS

The Authority terminated the contracts of a number of employees in 2010/11, incurring liabilities of £2,665,195 (£3,983,435 in 2009/10). Of this total, £427,358 has been paid to Director Customer Service. The remaining £2,237,837 has been paid to 112 officers who were made redundant as part of the Authority's rationalisation of the Service.

CIES_19 ROAD CHARGING SCHEMES

Where an authority operates a road charging or workplace charging scheme, paragraph 3.4.4.1(4) of the Code requires a brief explanation of the nature of the scheme, its gross income and expenditure and the net proceeds. As the contents of the note will be dependent on an authority's interpretation of the accounting requirements for these ring-fenced accounts, an example is not provided.

NOTES TO THE BALANCE SHEET

BS 1

Property, Plant and Equipment Movements on Balances

Movements in 2010/11

	Council Dwellings £'000	Freehold Interests (Other Operational) £'000	Other Land and Buildings (HRA) £'000	Other Land and Buildings (GF) £'000	Vehicles, Plant, Furniture & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant and Equipment £'000	PFI Assets Included in Property, Plant and Equipment £'000
Cost of Valuation											
At 1 April 2010	1,540,843	5,364	39,922	376,581	128,896	376,454	14,430	12,373	10,244	2,505,107	10,878
Additions	-	-	275	21,449	12,226	49,401	1,517	-	12	84,880	-
Donations	-	-	-	-	-	-	-	-	-	-	-
Revaluation Increases/(Decreases) recognised in the Revaluation Reserve	38,686	- 2,145	- 2,864	-	-	-	-	-	-	33,678	-
Revaluation Increases/(Decreases) recognised in the Surplus/Deficit on the Provision of Services	- 156,146	- 366	-	-	-	-	-	-	-	- 156,512	-
Derecognition - disposals	- 4,776	- 273	-	-	-	-	-	- 764	-	- 5,813	-
Assets reclassified to/from Surplus Assets	-	-	-	3,751	-	-	-	- 3,751	-	- 0	-
Assets Reclassified to/from Investment Properties	-	-	- 1,511	- 44,727	-	-	-	-	-	- 46,238	-
Assets reclassified to/from Assets Held for Sale	-	-	-	894	-	-	-	-	-	894	-
At 31 March 2011	**1,418,608**	**2,580**	**35,822**	**357,947**	**141,122**	**425,855**	**15,947**	**7,858**	**10,256**	**2,415,995**	**10,878**
Accumulated Depreciation and Impairment											
At 1 April 2010	-	-	- 920	- 33,171	- 77,649	- 166,312	-	- 6,256	-	- 284,308	- 2,185
Depreciation Charge	- 16,574	- 43	- 636	- 10,190	- 16,368	- 26,752	-	- 453	-	- 71,016	- 241
Depreciation written out to the Revaluation Reserve	- 4,534	- 16	- 167	- 3,528	-	-	-	-	-	- 8,245	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	- 311,729	- 43	-	-	-	-	-	-	-	- 311,772	-
Impairment Losses/(Reversal) recognised in the Surplus/Deficit on the Provision of Service	- 188,004	-	- 1,179	-	-	-	-	-	-	- 189,183	-
Derecognition - Disposals	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Other	-	-	-	-	-	-	-	- 214	-	- 214	-
Other Movements in Depreciation and Impairments	- 256	931	2,468	-	-	-	-	-	-	3,143	-
At 31 March 2011	**- 521,097**	**829**	**- 434**	**- 46,889**	**- 94,017**	**- 193,064**	**-**	**- 6,923**	**-**	**- 861,595**	**- 2,426**
Net Book Value											
at 31 March 2011	**897,511**	**3,409**	**35,388**	**311,058**	**47,105**	**232,791**	**15,947**	**935**	**10,256**	**1,554,400**	**8,452**
at 31 March 2010	**1,540,843**	**5,364**	**39,002**	**343,410**	**51,247**	**210,142**	**14,430**	**6,117**	**10,244**	**2,220,799**	**8,693**

NOTES TO THE BALANCE SHEET

BS 1

Property, Plant and Equipment Movements on Balances

Comparative Movements in 2009/10

	Council Dwellings £'000	Freehold Interests (Other Operational) £'000	Other Land and Buildings (HRA) £'000	Other Land and Buildings (GF) £'000	Vehicles, Plant, Furniture & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant and Equipment £'000	PFI Assets Included in Property, Plant and Equipment £'000
Cost of Valuation											
At 1 April 2009	1,339,285	3,185	37,537	340,505	111,335	331,889	12,463	52,074	9,411	2,237,683	4,202
Additions	-	-	212	36,076	17,561	44,565	1,967	1,006	833	102,220	6,676
Donations	-	-	-	-	-	-	-	-	-	-	-
Revaluation Increases/(Decreases) recognised in the Revaluation Reserve	217,088	2,179	2,302	-	-	-	-	-	-	221,569	-
Revaluation Increases/(Decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-
Derecognition - disposals	- 788	-	-	-	-	-	-	-	-	- 788	-
Derecognition - other	-	-	- 128	-	-	-	-	-	-	- 128	-
Assets Reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	- 40,714	-	- 40,714	-
Other Movement in Cost or Valuation	- 14,742	-	-	-	-	-	-	7	-	- 14,735	-
At 31 March 2010	**1,540,843**	**5,364**	**39,922**	**376,581**	**128,896**	**376,454**	**14,430**	**12,373**	**10,244**	**2,505,107**	**10,878**
Accumulated Depreciation and Impairment											
At 1 April 2009	-	-	- 118	- 21,404	- 60,375	- 144,786	-	- 4,103	-	- 230,786	- 2,017
Depreciation Charge	- 13,964	-	- 711	- 8,229	- 17,274	- 21,526	-	- 2,153	-	- 63,857	- 168
Depreciation written out to the Revaluation Reserve	- 778	-	- 91	- 3,538	-	-	-	-	-	- 4,407	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Impairment Losses/(Reversal) recognised in the Surplus/Deficit on the Provision of Service	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-
Other Movements in Depreciation and Impairments	14,742	-	-	-	-	-	-	-	-	14,742	-
At 31 March 2010	**-**	**-**	**- 920**	**- 33,171**	**- 77,649**	**- 166,312**	**-**	**- 6,256**	**-**	**- 284,308**	**- 2,185**
Net Book Value											
at 31 March 2010	**1,540,843**	**5,364**	**39,002**	**343,410**	**51,247**	**210,142**	**14,430**	**6,117**	**10,244**	**2,220,799**	**8,693**
at 31 March 2009	**1,339,285**	**3,185**	**37,419**	**319,101**	**50,960**	**187,103**	**12,463**	**47,971**	**9,411**	**2,006,897**	**2,185**

NOTES TO THE BALANCE SHEET

BS_2 INVESTMENT PROPERTIES

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2010/11			2009/10		
	HRA Commercial Properties £'000	General Fund Investment Properties £'000	Total £'000	HRA Commercial Properties £'000	General Fund Investment Properties £'000	Total £'000
Rental income from investment property	7,573	16,139	23,712	5,397	11,700	17,097
Direct operating expenses arising from investment property	-1,440	-12,187	-13,627	-1,849	-6,973	-8,822
Net gain/(loss)	**6,133**	**3,952**	**10,085**	**3,548**	**4,727**	**8,275**

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	2010/11			2009/10		
	HRA Commercial Properties £'000	General Fund Investment Properties £'000	Total £'000	HRA Commercial Properties £'000	General Fund Investment Properties £'000	Total £'000
Balance at start of the year	96,119	146,981	243,100	95,988	144,379	240,367
Additions:						
Purchases	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Subsequent expenditure	-	2,050	2,050	131	2,609	2,740
Disposals	-	-425	-425	-	-	-
Net gains/losses from fair value adjustments	9,632	66,231	75,863	-	-	-
Transfers:						
to/from Inventories	-	-82,171	-82,171	-	-	-
to/from Property, Plant and Equipment	1,511	44,728	46,239	-	-	-
to/from Surplus Properties			-		-7	-7
Other changes	-	-	-	-	-	-
Balance at end of the year	**107,262**	**177,395**	**284,657**	**96,119**	**146,981**	**243,100**

NOTES TO THE BALANCE SHEET

BS_3 INTANGIBLE ASSETS

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licenses and general software.
All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are:

	Internally Generated Assets	Other Assets
3 Years		CASH RECEIPTING PROJECT DESKTOP REFRESH ELECTRONIC SOCIAL CARE RECORDS DESKTOP REFRESH CORPORATE WEB EDITOR SYSYTEM INTEGRATION SOFTWARE MS97 SOFTWARE UPGRADE TO XP WEB DEVELOPMENT WIMS ENHANCEMENTS REAL ASSET MGT SOFTWARE FIREWALL UPGRADE EMS SYSTEM EXTENSION MGRTIN TO BUS OBJECTS XI SUITE FLOW ROAD MGT ONLINE APPLIC & REPOR ANNUAL CONFIRM UPGRADE CLIENT ACCOUNT & CASE MNGT SYS

The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £213k was charged to revenue in 2010/11. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on Intangible Assets balances during the year is as follows:

	2010/11			2009/10		
	Internally Generated Assets £'000	Other Assets £'000	Total £'000	Internally Generated Assets £'000	Other Assets £'000	Total £'000
Balance at start of the Year:						
Gross carrying amounts	-	772	772	-	349	349
Accumulated amortisation	-	- 206	- 206	-	- 90	- 90
Net carrying amount at start of year	-	566	566	-	259	259
Additions:						
Internal development	-	-	-	-	-	-
Purchases	-	1,322	1,322	-	423	423
Acquired through business combinations	-	-	-	-	-	-
Assets reclassified as held for sale	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-
Revaluations increases or decreases	-	-	-	-	-	-
Impairment losses recognised or reversed directly in the Revaluation Reserve	-	-	-	-	-	-
Impairment losses recognised in the Surplus/Deficit on the Provisions of Service	-	-	-	-	-	-
Reversals of past impairment losses written back to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-
Amortisation for the period	-	- 213	- 213	-	- 116	- 116
Other Changes	-	-	-	-	-	-
Net carrying amount at end of year	-	1,675	1,675	-	566	566
Comprising:						
Gross carrying amounts	-	2,094	2,094	-	772	772
Accumulated amortisation	-	- 419	- 419	-	- 206	- 206
	-	1,675	1,675	-	566	566

BS 4 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:	Long-Term		Current	
	31 March 2011 £'000	31 March 2010 £'000	31 March 2011 £'000	31 March 2010 £'000
Investments				
Loans and receivables	38,876	38,040	121,390	34,355
Available for sale financial assets	-	-	-	-
Unquoted equity investment at cost	-	-	-	-
Financial assets at fair value through profit and loss	55,874	154,679	-	-
Total Investments	**94,750**	**192,719**	**121,390**	**34,355**
Debtors				
Loans and receivables	1,458	1,508	8,777	10,437
Financial assets carried at contract amounts	-	-	-	-
Total Debtors	**1,458**	**1,508**	**8,777**	**10,437**
Borrowings				
Financial liabilities at amortised cost	268,397	238,469	3,757	4,132
Financial liabilities at fair value through profit and loss	-	-	-	-
Total Borrowing	**268,397**	**238,469**	**3,757**	**4,132**
Other Long Term Liabilities				
PFI and finance lease liabilities	6,646	6,819		
Total other Long Term Liabilities	**6,646**	**6,819**		
Creditors				
Financial liabilities at amortised cost	-	-	20,340	27,750
Financial liabilities carried at contract amount	-	-	-	-
Total Creditors	**-**	**-**	**20,340**	**27,750**

BS 4 FINANCIAL INSTRUMENTS.....Continued

Reclassification of Financial Instruments

Income, Expense, Gains and Losses

	2010/11					2009/10				
	Financial Liabilities measured at amortised cost £'000	Financial Assets: Loans & Receivables £'000	Financial Assets: Available for Sale £'000	Assets and Liabilities at Fair Value through Profit & Loss £'000	Total £'000	Financial Liabilities measured at amortised cost £'000	Financial Assets: Loans & Receivables £'000	Financial Assets: Available for Sale £'000	Assets and Liabilities at Fair Value through Profit & Loss £'000	Total £'000
Interest Expense	14,823		-		**14,823**	14,961		-		**14,961**
Losses on derecognition	-	-	-	-	**-**	-	-	-	-	**-**
Reductions in Fair Value				-	**-**				-	**-**
Impairment Losses		80			**80**		386			**386**
Fee Expenses	-	374	-	-	**374**	-	127	-	-	**127**
Total Expense in Surplus or Deficit on the Provision of Service	**14,823**	**454**	**-**	**-**	**15,277**	**14,961**	**513**	**-**	**-**	**15,474**
Interest Income		3,870			**3,870**		9,829			**9,829**
Interest Income Accrued on Impaired Financial Assets		-			**-**		-			**-**
Increases in Fair Value				776	**776**				2,058	**2,058**
Gains on derecognition	-	-	-	-	**-**	-	-	-	-	**-**
Fee Income	-	-	-	-	**-**	-	-	-	-	**-**
Total income in Surplus or Deficit on the Provision of Services	**-**	**3,870**	**-**	**776**	**4,646**	**-**	**9,829**	**-**	**2,058**	**11,887**
Gains on Revaluations			-		**-**			-		**-**
Losses on Revaluation			-		**-**			-		**-**
Amounts recycled to the Surplus or Deficit on the Provision of Services after Impairment			-		**-**			-		**-**
Surplus/Deficit arising on Revaluation of Financial Assets in Other Comprehensive Income And Expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Gain/(Loss) for the Year	**- 14,823**	**3,416**	**-**	**776**	**- 10,631**	**- 14,961**	**9,316**	**-**	**2,058**	**- 3,587**

The Fair Values Calculated are as follows:

	31 March 2011		31 March 2010	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Liabilities	272,154	272,154	242,601	242,601
Long-term creditors	-	-	-	-
Loans and Receivables	216,140	216,140	227,075	227,075
Long-term Debtors	1,458	1,458	1,508	1,508

NOTES TO THE BALANCE SHEET

BS_5 DEBTORS

	Long-Term 31 March 2011 £'000	Long-Term 31 March 2010 £'000	Short-Term 31 March 2011 £'000	Short-Term 31 March 2010 £'000	Total 31 March 2011 £'000	Total 31 March 2010 £'000
Central government bodies						
- Customs and Excise - VAT reimbursements	-	-	8,537	427	8,537	427
- Housing Benefits Grant	-	-	4,952	10,433	4,952	10,433
- Council Tax payers costs	-	-	2,911	2,820	2,911	2,820
- Council Tax payers	-	-	7,740	8,284	7,740	8,284
- Business Rates Supplement	-	-	1,119	-	1,119	-
- Less GLA Share Council Tax	-	-	- 3,553	- 3,731	- 3,553	- 3,731
- Other	-	-	856	897	856	897
Other local authorities	-	-	531	2,241	531	2,241
NHS bodies	-	-	1,421	1,220	1,421	1,220
Public corporations and trading funds						
- Housing and other rents	-	-	6,302	7,473	6,302	7,473
- Lessees	-	-	475	493	475	493
- Investment Property Rent	-	-	4,217	3,436	4,217	3,436
- Other	13,404	10,271	7,918	9,108	21,322	19,378
Other entities and individuals						
- Capital debtors:	-	-	14,424	8,125	14,424	8,125
- Parking Fines	-	-	44,128	62,327	44,128	62,327
- Business Improvement District (BID) payers	-	-	603	385	603	385
- Housing Benefits overpayments	-	-	14,944	14,785	14,944	14,785
- Employee loans	-	-	-	449	-	449
- Other	25,795	26,030	23,185	17,564	48,980	43,594
Pre-payments - Payments made in advance	-	-	1,960	3,652	1,960	3,652
Less: Provision for irrecoverable debts (**note a**)			- 79,305	- 96,193	- 79,305	- 96,193
Total	**39,199**	**36,301**	**63,366**	**54,196**	**102,565**	**90,496**

a) Provision for irrecoverable debts	31 March 2011 £'000	31 March 2010 £'000
Council Tax Payers - WCC	4,800	4,700
Less Council Tax Payers - GLA share	- 2,203	- 2,117
Council Tax Payers - costs	2,528	2,450
Parking Fines	42,418	58,711
Housing General Fund (incl. Benefits overpayments)	19,737	20,745
Housing Revenue Account	6,689	6,837
Other Provisions	5,336	4,865
	79,305	**96,192**

BS_6 INVENTORIES

The amount of unused or unconsumed stocks held in expectation of future use. Balances are carried forward as use will not arise until a future period, amounts will be matched against consumption at this time. Work in progress balances reflect work which has been completed and certified at the balance sheet date.

	A102010 Pre Paid Stock - Bags/Tape 2010/11 £'000	A102010 Pre Paid Stock - Bags/Tape 2009/10 £'000	A102105 Sundry Stock - Salt 2010/11 £'000	A102105 Sundry Stock - Salt 2009/10 £'000	A402020 Admin Bldgs Stocks 2010/11 £'000	A402020 Admin Bldgs Stocks 2009/10 £'000	A402022 Visitors Gift Stock 2010/11 £'000	A402022 Visitors Gift Stock 2009/10 £'000	Total 2010/11 £'000	Total 2009/10 £'000
Balance outstanding at start of year	19	24	18	32	-	6	5	4	42	66
Purchases	373	357	110	41	-	-	5	2	488	400
Recognised as am expense in the year	- 371	- 361	- 52	- 55	-	- 6	- 3	- 2	- 425	- 423
Written off balances	-	-	-	-	-	-	-	-	-	-
Reversals of write-offs in previous years	-	-	-	-	-	-	-	-	-	-
Balance outstanding at year end	**22**	**19**	**77**	**18**	**0**	**0**	**6**	**5**	**104**	**42**

NOTES TO THE BALANCE SHEET

BS_7 CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

		31 March 2011 £'000	31 March 2010 £'000
	Cash held by the Authority		
	Petty Cash Holdings	352	416
	Trust Funds Cash in Hand	- 165	- 152
Cash	Bank current accounts		
	Council General Account	- 6,074	- 7,213
	Paddington LTVA Account	1,380	1,380
	City London Real Property Company Account	3,843	3,843
	Pension Fund Cash	N/A	- 3,408
Cash Equivalents	Short-term liquid deposits	99,458	9,602
Total Cash and Cash Equivalents		**98,794**	**4,468**

The main bank statement balance (including the Council's Euro Account) at 31 March held a balance of £6.1m. After allowing for unpresented cheques, non-general fund balances and other cash equivalents the Council's balance sheet presents a cash position of £98.8m. The cash equivalents figure is represented by liquid short term cash investments which can be redeemed within a 24 hour call-back period.

The short term liquid deposits consist of £83m held in three call accounts and £16m in a money market fund.

The Council has set-up a separate bank account for Pension Fund in 2010-11. Previously the account was shared with the Council's main banking facility hence the comparative adjustment for Pension Fund Cash at 31 March 2010.

The Paddington LTVA Account represents contributions from participants that have not yet been used to fund expenditure on the project at balance sheet date.

The City of London Real Property Company Account balance totalled £3.8m at 31 March 2011; the balance represents contributions received.

BS_8 ASSETS HELD FOR SALE

	Current		Non Current	
	2009/10 £'000	2010/11 £'000	2009/10 £'000	2010/11 £'000
Balance outstanding at start of year	-	40,714	-	-
Assets newly classified as held for sale:				
Property, Plant and Equipment	40,714	-	-	-
Intangible Assets	-	-	-	-
Other assets/liabilities in disposal groups	-	82,171	-	-
Revaluation Losses	-	-	-	-
Revaluations Gains	-	-	-	-
Impairment Losses	-	-	-	-
Asset declassified as held for sale:				
Property, Plant and Equipment	-	- 894	-	-
Intangible Assets	-	-	-	-
Other assets/liabilities in disposal groups	-	-	-	-
Assets Sold	-	-	-	-
Transfers from non-current to current	-	-	-	-
Other movements	-	-	-	-
Balance outstanding at year-end	**40,714**	**121,991**	**-**	**-**

NOTES TO THE BALANCE SHEET

BS_9 CREDITORS

	Long-Term 31 March 2011 £'000	Long-Term 31 March 2010 £'000	Short-Term 31 March 2011 £'000	Short-Term 31 March 2010 £'000	Total 31 March 2011 £'000	Total 31 March 2010 £'000
Central government bodies						
NNDR Agency Creditor (net position)	-	-	38,159	16,786	38,159	16,786
Education inter-authority charges	-	-	6,875	6,993	6,875	6,993
	-	-	3,416	4,111	3,416	4,111
Inland Revenue - Tax & National Insurance contributions						
Other	-	-	-	-	-	-
Other local authorities	-	-	6,884	7,002	6,884	7,002
NHS bodies	-	-	537	250	537	250
Public corporations and trading funds						
Amounts owed for supplies and services	-	-	69,975	79,263	69,975	79,263
PFI & Similar Arrangements - Lease Creditor / Deferred Income	9,024	9,269	173	163	9,197	9,432
Finance Lease Liability	4,226	4,226	-	-	4,226	4,226
Other entities and individuals						
Capital	-	-	30,191	28,174	30,191	28,174
Employee	-	-	335	502	335	502
Employee	-	-	3,037	3,571	3,037	3,571
Other	-	-	196	76	196	76
Total	**13,250**	**13,495**	**159,777**	**146,891**	**173,027**	**160,386**

BS_10 DEPOSITS AND RECEIPTS IN ADVANCE

	Long-Term 31 March 2011 £'000	Long-Term 31 March 2010 £'000	Short-Term 31 March 2011 £'000	Short-Term 31 March 2010 £'000	Total 31 March 2011 £'000	Total 31 March 2010 £'000
Central government bodies						
The Authority Council Tax Receipts in Advance	-	-	-	-	-	-
Other	-	-	1,903	6,184	1,903	6,184
Other local authorities	-	-	-	-	-	-
NHS bodies	-	-	1,713	651	1,713	651
Public corporations and trading funds	-	-	866	864	866	864
Other entities and individuals	-	-	21,046	21,427	21,046	21,427
Total	**-**	**-**	**25,528**	**29,126**	**25,528**	**29,126**

BS_11 PROVISIONS

	Insurance Claims £'000	Repayment of Mental Health Charges £'000	Repayment of NNDR and Council Tax £'000	Other Compensation, Property and Contractual Claims (General Fund) £'000	Total £'000
Balance at 1 April 2010	8,797	721	3,981	706	14,205
Additional provisions made in 2010/11	3,326	163	-	76	3,566
Amounts used in 2010/11	-	-	-	-	-
Unused amounts reversed in 2010/11	- 611	-	- 1,097	- 120	- 1,827
Unwinding of discounting in 2010/11	-	-	-	-	-
Balance at 31 March 2011	**11,513**	**884**	**2,884**	**662**	**15,943**

Insurance Claims.

Provision has been made to meet future anticipated liabilities on claims under the Council's insurance arrangements. This is assessed by a professional Insurance contractor and adjusted as appropriate.

Repayment of mental health charges

A provision of £884,000 has been made for potential repayment of mental health charges. In July 2002, the House of Lords had upheld the judgement of the Court of Appeal and the High Court that local authorities had no power to charge for residential accommodation under Section 117 of the Mental Health Act 1983. The Council made charges for such accommodation in previous years and thus backdated repayment of charges received may be required. Following a House of Lords decision and Ombudsman guidance, Counsel has been consulted on issues relating to the length of liability, type and rate of interest, as well as particular issues relating to self-funders.

Repayment of National Non-Domestic Rates (NNDR).

In July 2005, Counsel's opinion was received that in respect of unclaimed Council Tax and NNDR credit balances over six years old. The Council make a provision for the transfer of such sums to its General Fund. This is provided that appropriate accounting provision is made to enable the Council to meet all future claims made in respect of overpayments. A protocol has been put into place to ensure that repayments are made where possible by taking reasonable and appropriate steps to trace and contact relevant ratepayers. This included increasing general awareness as to the existence of the possibility of overpayments and the availability of repayments of Council Tax and NNDR. Appropriate notices are publicised on Council Tax and NNDR bills, on the Council's website and annually in two local newspapers. The protocol also includes issuing reminder notices to be sent to the ratepayers at last known addresses and, in addition, to companies at their registered office.

NOTES TO THE BALANCE SHEET

BS_12 UNUSABLE RESERVES

	31 March 2011 £'000	31 March 2010 £'000
Revaluation Reserve	90,606	380,272
Capital Adjustment Account	1,475,522	1,733,739
Financial Instrument Adjustment Account	- 1,053	- 2,380
Deferred Capital Receipts Reserve	2,722	3,009
Pensions Reserve	- 382,150	- 502,515
Collection Fund Adjustment Account	- 963	- 1,167
Unequal Pay Back Pay Account	-	-
Accumulated Absences Account	- 3,037	- 3,571
Total Unusable Reserves	**1,181,648**	**1,607,387**

Revaluation Reserves

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

The balance is reduced when assets with accumulated gains are:

* revalued downwards or impaired and the gains are lost
* used in the provision of services and the gains are consumed through depreciation, or
* disposed of and the gains are realised.

The Revaluation Reserve contains only revaluation gains accumulated since 1 April 2007. The reserve was introduced in 2007/08. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

		31 March 2011 £'000	31 March 2010 £'000
Balance at 1 April		380,272	164,063
Upward revaluation of assets	111,203		221,579
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	- 390,206		-
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		- 279,003	221,579
Difference between fair value depreciation and historical cost depreciation	- 8,245		- 4,725
Other adjustments between the revaluation reserve and capital adjustment account	-		- 645
Accumulated gains on assets sold or scrapped	- 2,419		-
Amount written off to the Capital Adjustment Account		- 10,663	- 5,370
Balance at 31 March		**90,606**	**380,272**

BS_12 UNUSABLE RESERVES.....Continued

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

			31 March 2011 £'000	31 March 2010 £'000
Balance at 1 April			**1,733,739**	**1,747,762**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
-	Charges for depreciation and impairment of noncurrent assets	- 258,947		- 63,678
-	Revaluation losses on Property, Plant and Equipment	- 153,638		-
-	Amortisation of intangible assets	- 213		- 116
-	Revenue expenditure funded from capital under statute	- 52,709		- 60,555
-	Write-out of capital expenditure on maintaining asset values	- 30,131		- 23,750
-	Derecognition of property, plant and equipment	- 214		-
-	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	- 3,822		- 788
			- 499,673	- 148,888
Adjusting amounts written out of the Revaluation Reserve			-	700
Net written out amount of the cost of non-current assets consumed in the year			- 499,673	- 148,188
Capital financing applied in the year:				
-	Use of the Capital Receipts Reserve to finance new capital expenditure	14,254		97
-	Use of the Capital Receipts Reserve to reduce capital financing requirement	15,059		-
-	Use of the Major Repairs Reserve to finance new capital expenditure	12,392		12,012
-	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	104,717		106,600
-	Application of grants to capital financing from the Capital Grants Unapplied Account	-		-
-	Capitalisation adjustment	-		3,249
-	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	4,115		3,001
-	Capital expenditure charged against the General Fund and HRA balances	15,055		9,206
			165,592	134,165
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement			75,863	-
Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement			-	-
Balance at 31 March			**1,475,522**	**1,733,739**

BS_12 UNUSABLE RESERVES.....Continued

Financial Instruments Adjustment Account

Housing Revenue Account Financial Instrument Adjustment Reserve Balance

The Council issued an interest free loan of £2.9 million to Pimlico District Heating Undertaking leaseholders, which is accounted for as a soft loan.
The loss in making the loan represented by the undercharge of interest is posted to the Financial Instruments Adjustment Account and is written over the life of the loan.

		31 March 2011 £'000	31 March 2010 £'000
		£'000	**£'000**
Balance at 1 April		2,380	3,262
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	-		3,262
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	- 1,327		- 882
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements		- 1,327	- 882
Balance at 31 March		**1,053**	**2,380**

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	31 March 2011 £'000	31 March 2010 £'000
	£'000	£'000
Balance at 1 April	- 502,515	- 374,338
Actuarial gains or losses on pensions assets and liabilities	16,830	- 107,041
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	100,633	- 24,146
Employer's pensions contributions and direct payments to pensioners payable in the year	2,900	3,010
Balance at 31 March	- 382,152	- 502,515

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of noncurrent assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	31 March 2011 £'000	31 March 2010 £'000
	£'000	**£'000**
Balance at 1 April	3,009	239
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-
Transfer to the Capital Receipts Reserve upon receipt of cash	- 286	2,770
Balance at 31 March	**2,722**	**3,009**

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	31 March 2011 £'000	31 March 2010 £'000
	£'000	**£'000**
Balance at 1 April	- 1,167	- 673
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	204	- 494
Balance at 31 March	**- 963**	**- 1,167**

BS_12 UNUSABLE RESERVES - continued

Accumulated Absence Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

		31 March 2011 £'000	31 March 2010 £'000
		£'000	£'000
Balance at 1 April		- 3,571	- 3,305
Settlement or cancellation of accrual made at the end of the preceding year	3,571		3,305
Amounts accrued at the end of the current year	- 3,037		- 3,571
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		534	- 266
Balance at 31 March		**- 3,037**	**- 3,571**

BS_13 ASSET REVALUATION MOVEMENTS

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Surplus Assets £'000	Total £'000
Carried at Historical Cost			47,105	47,105	94,210
Valued at Fair Value at:					
31 March 2011	928,461	-			928,461
31 March 2010	1,575,666	-			1,575,666
31 March 2009	1,471,014	374,402			1,845,416
31 March 2008	1,636,857	402,028			2,038,885
31 March 2007	1,350,958	142,383			1,493,341
Total Cost or Valuation	**6,962,956**	**918,813**	**47,105**	**47,105**	**7,975,979**

BS_14 IMPAIRMENT LOSSES

During 2010/11, the authority has recognised an impairment loss of £354.7m in relation to HRA dwellings.

HRA dwellings are valued annually at open market value (vacant possession) and which is then discounted to account for the cost of making the units available for social housing only. Communities & Local Government issue the applicable discount factor which, on 1st April 2010, changed from 63% to 75% for all local authorities in London. The cost of this change to Westminster (with dwellings valued at £4.2bn on the open market at 1st April 2010) is £354.7m which is charged to the Net Cost of Services as an Impairment loss in 2010/11. This item is subsequently reversed out of the Income & Expenditure account and therefore has no impact on the availability of Council resources.

BS_15 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2010/11 £'000	2009/10 £'000
Opening Capital Financing Requirement	410,365	329,030
Capital investment		
Property, Plant and Equipment	115,011	115,194
Investment Properties	2,050	3,615
Intangible Assets	1,322	423
Statutory capital expenditure	2,083	-
Revenue Expenditure Funded from Capital under Statute	52,709	60,555
Corporate bonds - reinvested	- 32,721	32,721
Assets acquired under PFI and finance leases	6,906	-
Sources of finance		
Capital Receipts	- 14,255	-
Government grants and other contributions	- 87,580	- 89,650
Sums set aside from revenue		
Direct revenue contributions	- 9,114	- 4,812
MRP/loans fund principal	- 12,392	- 12,109
Leaseholders Contributions (HRA)	- 5,940	- 4,509
Affordable Housing Fund	- 17,137	- 17,092
Debt repayment		
Capital Receipts applied to reduce existing Capital Financing Requirement	- 15,058	-
Minimum Revenue Provision	- 4,115	- 3,001
Closing Capital Financing Requirement	**392,134**	**410,365**
Explanation of movements in year		
Increase in underlying need to borrowing (supported by government financial assistance)	-	-
Increase in underlying need to borrowing (unsupported by government financial assistance)	26,757	84,336
Assets acquired under finance leases	4,313	-
Assets acquired under PFI/PPP contracts	2,593	-
Reinvestment of corporate bonds	- 32,721	-
Capital Receipts applied to reduce existing Capital Financing Requirement	- 15,058	-
Statutory provision for repayment of debt (Minimum Revenue Provision)	- 4,115	- 3,001
Increase/(decrease) in Capital Financing Requirement	**- 18,231**	**81,335**

BS_16 CAPITALISATION OF BORROWING COSTS

The Council undertook a five year loan of £30m from Public Works Loan Board on 30th March 2011 in order to finance the 2010/11 capital programme. The fees relating to this loan amounted to £10,500 and have been capitalised within the loans pool. The cost will be amortised at £2,100 per annum over the five year life of the loan.

BS_17 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority's activities expose it to a variety of financial risks:

credit risk- the possibility that other parties might fail to pay amounts due to the Authority

liquidity risk- the possibility that the Authority might not have funds available to meet its commitments to make payments

market risk- the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet minimum credit ratings from the three major credit ratings agencies. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each rating category and country. The Annual Investment Strategy is contained within the Council's approved Treasury Management Strategy.

The exposure at 31st March 2011 by credit rating in respect of financial assets held by the authority (excluding Icelandic investments) are detailed below:

Counterparty	Country	Fitch	Moody	S&P	Lending Limit	Investment
		Long Term	Long Term	Long Term	£m	£m
Barclays	UK	AA -	Aa3	AA-	75	35
Lloyds TSB	UK	AA -	A1	A	75	40
RBS Group	UK	AA -	A1	A	75	54
Svenska	Sweden	AA-	Aa2	AA-	25	3
Northern	UK	BBB+ *	n/a	A-	6	3
Prime Rate	UK	AAA		AAA	50	16
Payden	UK			AAA	60	56
					366	**207**

* the deposit with Northern Rock had guarantee from UK government, therefore was protected and met the Council's credit criteria, despite the low credit rating.

** the investments in the two managed funds include indirect exposures to various counterparties, but the funds have their own AAA (optimum) rating and the investment policy of the funds meet the Council's criteria.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the council.

The Authority's maximum exposure to credit risk in relation to its investments in banks and money market funds of £207m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at the 31 March 2011 that this was likely to crystallise.

The following analysis summarises the Authority's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions.

	Amount at 31 March 2010 £'000	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2011 %	Estimated maximum exposure to default and uncollectability at 31 March 2011 £'000	Estimated maximum exposure at 31 March 2010 £'000
	A	B	C	(A+C)	
Deposits with banks and other financial institutions excl. Icelandic banks	151,277	0.00%	2.74%	4,145	1,796
Bonds	55,873	0.00%	0.00%	0	0
Customers	8,766	0.00%	0.62%	55	66
				4,200	**1,862**

No credit limits were exceeded during the reporting period and the authority does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

The Authority does not generally allow credit for customers, such that £4m of the £10m balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

	31 March 2011 £'000	31 March 2010 £'000
Less than three months	6,129	7,687
Three to six months	2,016	1,583
Six months to one year	428	892
More than one year	193	434
	8,766	**10,596**

BS_17 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS.....Continued

Liquidity Risk

The authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the authority has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The authority sets limits on the proportion of its fixed rate borrowing during specified periods. The strategy is to ensure that no more than 40% of loans are due to mature within twelve months through a combination of careful planning of new loans taken out and (where it is economic to do so) making early repayments. The maturity analysis of financial liabilities is as follows:

	31 March 2011 £'000	31 March 2010 £'000
Less than one year	636	986
Between one and two years	308	369
Between two and five years	63,672	31,231
Maturing in five to ten years	65,112	53,870
Maturing in more than ten years	139,305	153,000
	269,033	239,456

All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

The Council is protected from adverse increases in interest rates in respect of its fixed rate borrowings, however in a low interest rate environment these rates could potentially be higher than equivalent floating rates. Where the Council has borrowings or investments at variable rates the interest expense or income charged to the Surplus or Deficit on the Provision of Services will rise respectively.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus of Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure. However in the event of adverse movements, mitigating action would be taken by the fund manager to manage interest rate risk, through asset management within the portfolio.

The Authority has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 50% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2011, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	556
Increase in interest receivable on variable rate investments	- 1,125
Increase in government grant receivable for financing costs	-
Impact on Surplus or Deficit on the Provision of Services	- 569
Share of overall impact debited to the HRA	97

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

BS_18 LANDFILL ALLOWANCES TRADING SCHEME

In 2010/11, as a Waste Disposal Authority, the Council was allocated 78,149 allowances under the Landfill Allowances Trading Scheme (LATS). Surplus allowances not sold at 31 March 2010 were automatically 'retired' by the government at zero value because 2009/10 was an EU target year when banking or borrowing surplus allowances was suspended. Based on the Council's actual landfill usage, it is due to surrender 16,815 allowances to DEFRA, 8,500 of the remaining allowances were sold to Halton Borough Council and 7,000 allowances to Buckinghamshire County Council. The remaining 45,834 allowances have been valued at zero in the balance sheet because there are significantly more sellers than buyers in the market, this reflects the success of the scheme encouraging local authorities to meet their landfill targets. Marketing of the surplus allowances will continue but trading is expected to remain slow in 2011/12. The exact number of allowances due for surrender will be confirmed by the Environment Agency later in the year.

NOTES TO THE BALANCE SHEET

BS_19 GRANT INCOME

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2010/11

Credited to Taxation and Non Specific Grant Income	2010/2011 £'000	2009/10 £'000
Revenue Support Grant	181,487	178,823
Area Based Grant	30,614	16,379
Sub Total	**212,101**	**195,202**
Credited to Services		
AIDS Support Grants	472	423
DAT Grant	1,782	2,047
Social Care Reform	1,494	1,200
LSC Grant	8,299	16,349
PPG Grant	-	812
DSG Schools Grant	95,894	90,694
Sure Start Grant	7,901	7,700
School Standards Grant	16,703	14,419
Standards Fund	-	1,258
Homelessness Grant	8,378	7,576
Housing & C Tax Admin	2,907	2,763
Housing Benefits Subsidy	276,402	238,983
Supporting People Grant	-	17,074
Council Tax Benefit Subsidy	13,352	12,344
Other Grants	1,269	2,766
Sub Total	**434,852**	**416,407**

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

Capital Grants Receipts in Advance	B/F 1 April 2010 £000s	Funding Received £000s	Funding Applied £000s	C/F 31st March 2011 £000s
S106 Contributions	45,422	10,020	- 21,642	33,799
S278 Contributions	3,240	10,753	- 8,863	5,129
Transportation and Infrastructure External Funding	8,705	5,280	- 5,573	8,412
Transport for London Grants	1,397	10,028	- 10,234	1,192
HRA Grant	3,413	9,174	- 6,463	6,124
Housing Grants	533	1,447	- 808	1,172
Building Schools for the Future	9,025	38,386	- 39,168	8,243
Childrens Standards Fund	7,782	10,007	- 7,827	9,962
CAF Demonstrator Grant	537	1,214	- 864	887
PCT Funding	797	138	169	1,105
Other Government Grants	10,948	9,207	- 11,913	8,242
Grand Total	**91,800**	**105,655**	**- 113,187**	**84,267**

BS_20 PENSIONS SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Authority are members of the Teachers' Pension Scheme, administered by the Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Authority is not able to identify its share of underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2010/11 the authority paid £5.7M to Teachers' Pensions in respect of teachers' retirement benefits, representing 14.1% of pensionable pay. The figures for 2009/10 were £5.4M and 14.1%. There were no contributions remaining payable at the year-end. The authority is responsible for costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in in the note on Defined Benefit Pension Schemes.

BS_21 DEFINED BENEFIT PENSION SCHEMES

Post-employment / Retirement Benefits

Westminster City Council is required to account for pension costs in accordance with the International Accounting Standard IAS 19. This is the first time that Westminster City Council is implementing IAS 19 and reporting under International Financial Reporting Standards. The measurement of assets and liabilities under the FRS 17 and IAS 19 accounting standards are similar and conform to the same general principles. In view of this, the Fund opening balance sheet at 1 April 2009 uses the same amounts carried on the 31 March 2009 Balance Sheet.

Accounting policy for recognition of actuarial gains and losses

Under IAS 19 there are two main approaches for recognising gains and losses. The first is that only those actuarial gains and losses falling outside an agreed "corridor" are recognised in the Surplus or Deficit on the Provision of Services. The second is that all actuarial gains and losses are recognised in 'Other Comprehensive Income and Expenditure'. The Fund has adopted the requirements of the CIPFA guidance to recognise gains and losses in full immediately during the period in which they arise but outside of the Surplus or Deficit on the Provision of Services through Other Comprehensive Income and Expenditure.

Restriction of asset under paragraph 58 and IFRIC 14

IFRIC 14 is an interpretation of paragraph 58 of the IAS 19 accounting standard published by the International Accounting Standards Board (IASB). It addresses the recognition of surpluses and allowance for minimum funding (contribution) requirements. IFRIC 14 could require Employers paying deficit contributions to recognise an additional liability on the balance sheet. It is CIPFA's view that this item will not apply to LGPS bodies. The Actuary agrees with the view that the Employer is expected to be a long term body, participating beyond the expiry of the current rates and adjustment certificate which runs until 2014. In view of this, Westminster will not recognise an additional liability on its balance sheet for its obligation to pay deficit contributions.

Description of the Westminster Fund

The Council administers a defined benefit final salary scheme where the retirement benefits are determined independently from investments of the scheme and employers have obligations to make contributions where assets are insufficient to meet employee benefits. These schemes are: The Local Government Pension Scheme (LGPS) administered locally by Westminster City Council (WCC) - this is a funded defined benefit final salary scheme meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets, and; the LGPS plan administered by the London Pensions Fund Authority (LPFA).

The Council also provides discretionary post employment benefits, which arise from additional service awarded on a discretionary basis. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. At 31 March, the Council provided £2.9M (£3M 2009/10) in unfunded benefits. In the accounting period to 31 March 2012, the Employer expects to pay £2.99M directly to beneficiaries in the form of discretionary benefits.

Brief introduction to the LGPS

The benefits of the LGPS are set out in regulations the principal regulations currently being the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 as subsequently amended. Readers should refer to the regulations for further details.

Normal retirement age	65
Member contributions	Rate of between 5.5% and 7.5% of pay dependent on contribution band which applies to member.
Final pay	Generally Pensionable Pay over 12 months prior to retirement or earlier exit subject to various provisions.
Normal retirement pension	1/60th of Final Pay for each year of Pensionable Service on or after 1 April 2008 1/80 of Final Pay plus a lump sum of 3/80 of final pay for each year of Pensionable Service before 1 April 2008
Early retirement pension	Reduced pension payable on retirement after age 60, or after age 55 with Employer consent. Pension calculated as for normal retirement but based on Pensionable Service to early retirement date. Other provisions apply for various categories of member.
Incapacity & ill health pensions	Tiered provision apply refer to regulations for full detail
Death benefits in service	Lump sum of 3 times Pay at exit. Other provisions apply refer to regulations for full details
State pension scheme	The scheme is contracted out of the State Second Pension Scheme.

BS_21 DEFINED BENEFIT PENSION SCHEMES.....Continued

Financial effect of changes in the plan to 31 March 2010

1. Actuarial valuation of the Plan at 31 March 2010

The financial position of the Fund was assessed against the funding target at 31 March 2010. There is a shortfall of £238.1M relative to the funding target, which is the level of assets agreed by the Authority and Actuary as being consistent with the Funding Strategy Statement appropriate to meet member benefits, assuming the Fund continues as a going concern. This corresponds to a funding ratio of 74% (2007: 79%).

The aggregate Employer contribution rate required to restore the funding ratio to 100%, using a recovery period of 30 years from 1 April 2011 is calculated to be 20.4% of Pensionable Pay assuming membership numbers remain broadly stable and Pensionable Pay increases in line with our assumptions. The comparable figure at the previous valuation was 17.6% of Pensionable Pay.

The Actuary and the Authority have agreed that the shortfall relative to the funding target at this valuation will be removed through payment of additional contributions by Employers over a range of different recovery periods of up to 30 years, shown below.

Employer	Recovery Period from 1 April 2011 (years)
Westminster City Council	30
Age Concern	10
Independent Housing Ombudsman Ltd	30
Housing 21 (original contract)	30
City West Homes Limited	7
Paddington Academy	n/a
Westminster Academy	n/a
King Solomon Academy	n/a
Pimlico Academy	n/a
Homes and Communities Agency	30
Tenants Services Authority	30
Housing 21 (Day Care Service)	n/a
Ramesys	n/a

Changes since the previous valuation

1 The financial assumptions have been updated to reflect movements in gilt yields.

2 An assumption for CPI price inflation has been made.

3 The discount rate used for Scheduled Bodies has increased relative to gilt yields. This is to meet the principle set out in the Funding Strategy Statement of maintaining as nearly constant an overall contribution rate as possible.

4 The in service discount rate used for Admission Bodies has increased relative to gilt yields, whilst the left service discount rate has reduced slightly. This is to reflect better the anticipated returns resulting from the anticipated move to a low risk investment portfolio on cessation rate.

5 The mortality assumptions have changed to allow for research that suggests people are living longer and reflects a review of the Fund's pensioner mortality experience over the period since the previous valuation.

6 The assumption determining how much of their pension members choose to convert to cash at retirement has been increased. This reflects a review of the Fund's actual experience since the previous valuation.

7 The allowance for future retirements in ill-health has been reduced following a review of the experience since the previous valuation. We have also increased the proportion of retirements assumed to fall under Tier 1, in light of the level experienced since this was introduced in 2008.

Overall these changes result in a lower overall funding target i.e. they decrease the value placed on the Fund's liabilities compared with the previous valuation. However some Employer specific funding targets may be higher.

2. Change in Pensions Indexation to CPI

With effect from 1 April 2011, increases to local government pensions in payment and deferred pensions will be linked to annual increases in the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). Since, over the long term CPI increases are expected to be lower than RPI increases, this gives rise to a reduction in the defined benefit obligation on the balance sheet. The change also reduces this (and future) periods' current service cost and interest cost. In the figures set out in this note, the Actuary has allowed for the impact of the change to CPI indexation of pension increases as a benefit change and therefore recognised this as a (negative) past service cost reflecting the reduction in the constructive obligation. The past service cost appears in the charges to Surplus or Deficit on the Provision of Services for the accounting period. The Actuary has valued the change at the date of the government's announcement on 22 June 2010 and measured the (negative) past service cost using the assumptions applicable at the previous accounting date.

BS_21 DEFINED BENEFIT PENSION SCHEMES.....Continued

3. Reconciliation of funded status to Balance Sheet

Westminster Funded Plan	Value as at 31 March 2011 £'M's	Value as at 31 March 2010 £'M's	Value as at 31 March 2009 £'M's
Fair value of assets	541.28	543.62	378.83
Present value of funded defined benefit obligation	885.42	992.87	710.75
Pension asset/(liability) before consideration of para. 58	- 344.14	- 449.25	- 331.92
Adjustment in respect of para. 58	-	-	-
Pension asset/(liability) recognised on the Balance Sheet	- 344.14	- 449.25	- 331.92
Westminster Unfunded Plan			
Present value of funded defined benefit obligation	36.75	42.05	38.76
Pension liability recognised on the Balance Sheet	- 36.75	- 42.05	- 38.76
LPFA Funded Plan			
Fair value of assets	18.93	16.81	15.92
Present value of funded defined benefit obligation	20.19	28.02	19.57
Pension asset/(liability) before consideration of para. 58	- 1.26	- 11.22	- 3.66
Adjustment in respect of para. 58	-	-	-
Pension asset/(liability) recognised on the Balance Sheet	- 1.26	- 11.22	- 3.66

Sensitivity of the results to key assumptions

The effects on the net pension liability for funded LGPS benefits of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumptions would result in a decrease in the pension liability of £68.92M. During 2010/11 the Authority's actuaries advised that the net pensions liability for funded LGPS benefits had decreased by £24.89M as a result of estimates being corrected as a result of experience and decreased by £21.32M attributable to the updating of assumptions.

The Authority recognises the cost of post employment benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and General Fund Balance via the Movement in Reserves Statement during the year.

	Local Government Pension Scheme		Discretionary Benefits Arrangements		Local Government Pension Scheme	
	31/03/2011 £'000	31/03/2010 £'000	31/03/2011 £'000	31/03/2010 £'000	31/03/2011 £'000	31/03/2010 £'000
Income and Expenditure Account						
Cost of Services						
Current service cost	15,450	11,100	-	-	81	86
Past service cost*	- 109,130	2,630	- 3,210	-	- 1,590	-
Settlements and curtailments	-	-	-	-	-	-
Finance and investment income and expenditure						
Interest cost	49,920	47,570	2,100	2,500	1,223	1,313
Expected return on scheme assets	- 38,740	- 23,390	-	-	- 942	- 658
Total Post Employment Benefits Charged to the Surplus or Deficit on the Provision of Services	- 82,500	37,910	- 1,110	2,500	- 1,228	741
Other Post employment benefits charged to the Comprehensive Income and Expenditure Statement						
Actuarial gains and losses	- 7,030	-	- 1,290	-	- 8,510	-
Total Post Employment Benefits Charged to other Comprehensive Income and Expenditure	- 7,030	-	- 1,290	-	- 8,510	-

* In the UK budget statement on 22 June 2010 the Chancellor announced that with effect from 1 April 2011 public service pensions will be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). This has the effect of reducing Fund liabilities by £109.1M and has been recognised as a past service gain in accordance with guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement. there is no impact upon the General Fund (or Housing Revenue Account).

BS_21 DEFINED BENEFIT PENSION SCHEMES.....Continued

	Local Government Pension Scheme		Discretionary Benefits Arrangements		Local Government Pension Scheme	
	31/03/2011 £'000	31/03/2010 £'000	31/03/2011 £'000	31/03/2010 £'000	31/03/2011 £'000	31/03/2010 £'000
Movement in Reserves Statement						
reversal of charges made to the Surplus or Deficit on the Provision of Services for post employment benefits in accordance with the Code	82,500	- 37,910	1,110	- 2,500	1,228	- 741
Actual amount charged against the General Fund Balance for pensions in the year:						
employers contributions payable to scheme	15,578	16,750			217	255
Retirement benefits payable to pensioners			2,902	3,010		

Explanatory notes

1 The current service cost is an estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.

2 The past service gains arise from decisions taken in the current year but whose financial effect is derived from years of service earned in earlier years.

3 Interest cost is the amount needed to unwind the discount applied in calculating the defined benefit obligations (liability). As members of the plan are one year closer to receiving their pension, the provisions made at present value in previous years for their retirement costs need to be uplifted by a year's discount to keep pace with current values.

4 The expected return on assets is a measure of the return on the investment assets held by the plan for the year. It is not intended to reflect the actual realised return by the plan but a longer term measure based on the value of assets at the start of the year taking into account movements in assets during the year and an expected return factor.

5 Actuarial gains and losses arise where actual events have not coincided with the actuarial assumptions made for the last valuations (known as experience gains and losses) or the actuarial assumptions have been changed. The amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2011 is £16.8M.

Cumulative amount of actuarial gains and losses recognised in Other Comprehensive Income and Expenditure

Actuarial Gains / Losses	2010/11 £'M's
Westminster LGPS Plan	7
LPFA LGPS Plan	8.5
Discretionary benefit plan	1.3
2011 Actuarial Gains and Losses	16.8
Cumulative Actuarial Gains & Losses	165.1

The cumulative amount of actuarial gains and losses recognised in Other Comprehensive Income and Expenditure in 2011 is £16.8M. Note that these figures include cumulative amounts charged in prior years to the Statement of Recognised Gains and Losses.

The principle assumptions used by the authority's actuary are:

1 Liabilities or obligations refer to post employment / retirement benefits that have been promised under the formal terms of the pension plan (plus any constructive obligation for further benefits where the authority has given employees valid expectations that such benefits will be granted. Liabilities are measured on an actuarial basis, estimating future cash flows that will arise from liabilities (based on factors such as mortality rates, employee turnover rates, salary growth) discounted to present value using the projected unit credit method.

2 The discount rate to be used is determined by reference to market yields at balance sheet date of high quality corporate bonds.

3 **Mortality Assumptions**
The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The year of birth table used is Standard SAPS Normal Health All Amounts (2009/10: PNMA00 with allowance for MC improvement factors to 2007. Improvements to base table rates are modelled on CMI_2009 with a long term rate of improvement of 1.25% p.a. (2009/10: 80% of Long Cohort (from 2007) subject to the improvement factors of 1.25% p.a.).

4 **Commutation**
Each member is assumed to exchange 25% of the maximum amount permitted of their past service pension rights on retirement, for additional lump sum. Each member assumed to exchange 75% of the maximum amount permitted of their future service pension rights on retirement, for additional lump sum.

BS_21 DEFINED BENEFIT PENSION SCHEMES.....Continued

	WESTMINSTER LGPS Liabilities 31 March 2011 %	WESTMINSTER LGPS Liabilities 31 March 2010 %	WESTMINSTER Discretionary Liabilities 31 March 2011 %	WESTMINSTER Discretionary Liabilities 31 March 2010 %	LPFA LGPS Liabilities 31 March 2011 %	LPFA LGPS Liabilities 31 March 2010 %
Discount rate for scheme liabilities	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%
Rate of general long-term increase in salaries	5.2%	5.4%	0.0%	0.0%	4.5%	5.4%
Rate of increase in pensions in payment	2.8%	3.9%	2.7%	3.8%	2.7%	3.9%
Rate of increase in deferred pensions	2.8%	3.9%	0.0%	0.0%	0.0%	0.0%
RPI inflation	3.7%	3.9%	3.6%	3.8%	3.5%	3.9%
CPI inflation	2.8%	N/A	2.7%	N/A	2.7%	N/A
Mortality assumptions:						
Longevity at 65 for current pensioners						
Men	22.2%	22.3%	22.2%	22.3%	19.6%	21.0%
Women	24.4%	24.3%	24.4%	24.3%	22.7%	23.4%
Longevity at 65 for future pensioners						
Men	24.1%	24.7%	0.0%	0.0%	21.6%	22.0%
Women	26.4%	26.5%	0.0%	0.0%	24.7%	24.2%

Expected rate of return for plan assets for the year ended 31 March 2011

The assumed rates of return adopted by the Employer for the purposes of IAS 19 are set out below.

Long term expected rate of return on assets	WESTMINSTER 31 March 2011 %	WESTMINSTER 31 March 2010 %	LPFA 31 March 2011 %	LPFA 31 March 2010 %
Equities	8.4%	8.0%	7.2%	7.3%
Property	7.9%	8.5%	0.0%	0.0%
Government bonds	4.4%	4.5%	0.0%	0.0%
Corporate bonds	5.1%	5.5%	0.0%	0.0%
Cash	1.5%	0.7%	3.0%	3.0%
Other	8.4%	8.0%	0.0%	0.0%
Cashflow matching	0.0%	0.0%	4.4%	4.5%
Target return portfolio	0.0%	0.0%	5.0%	5.0%
Expected Return on Assets	7.5%	7.3%	5.1%	5.1%

The overall expected rate of return on fund assets is shown in the bottom row of the table.

Westminster City Council	31 March 2011 £'M's	Assets %	31 March 2010 £'M's	Assets %
Equities	424	78.3%	392	72.2%
Government Bonds	-	0.0%	26	4.8%
Corporate Bonds	90	16.6%	121	22.3%
Cash	28	5.1%	1	0.2%
Other	-	0.0%	3	0.5%
Total	541	100.0%	544	100.0%

London Pension Fund Authority	31 March 2011 £'M's	Assets %	31 March 2010 £'M's	Assets %
Cash flow Matching	7	35.0%	6	38.0%
Equities	2	12%	2	11.0%
Cash	0	-1.0%	-1	3.0%
Target Return Portfolio	10	54.0%	9	54.0%
Total	19	100.0%	16	106.0%

Westminster City Council employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 March 2011. The actual investment return on Fund over the accounting period taking into account the actual return for the first quarter of 2010 compared to that used in producing the figures last year has been calculated as 5.1%. The overall Fund return over the accounting period without adjustment for last year's estimated return has been calculated as 7.1% (2009/10: 43.3%. Source Aon Hewitt) and 6% (2009/10 12% (Barnett Waddingham: LPFA).

BS_21 DEFINED BENEFIT PENSION SCHEMES.....Continued

Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of the present value of the defined benefit obligation

a. Amount arising from plans that are wholly funded

Reconciliation of present value of the defined benefit obligation	WESTMINSTER 2010/11 £'000	WESTMINSTER 2009/10 £'000	LPFA 2010/11 £'000	LPFA 2009/10 £'000
Opening funded defined benefit obligation	992,870	710,750	28,016	19,565
Current service cost	15,450	11,100	81	86
Interest cost	49,920	47,570	1,223	1,313
Contributions by Scheme Participants	6,370	7,010	19	29
Actuarial gains and losses on liabilities*	- 46,210	236,230	- 6,230	8,229
Net Benefits paid out *	- 23,850	- 22,420	- 1,336	- 1,206
Past service costs	- 109,130	2,630	- 1,590	-
Business combinations	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Closing defined benefit obligation	**885,420**	**992,870**	**20,183**	**28,016**

Consists of net cash-flow out of the fund in respect of employer excluding contributions and any death in service lump sums paid and including an approximate allowance for the expected cost of death in service lump sums.

b. Amount arising from plans that are wholly unfunded

Reconciliation of present value of the defined benefit obligation	WESTMINSTER 2010/11 £'000	WESTMINSTER 2009/10 £'000	LPFA 2010/11 £'000	LPFA 2009/10 £'000
Opening unfunded defined benefit obligation	42,050	38,760	7	8
Current service cost	-	-	-	-
Interest cost	2,100	2,500	-	-
Contributions by Scheme Participants	-	-	-	-
Actuarial gains and losses on liabilities*	- 1,290	3,800	-	-
Net Benefits paid out *	- 2,900	- 3,010	- 1	- 1
Past service costs	- 3,210	-	-	-
Business combinations	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Closing unfunded defined benefit obligation	**36,750**	**42,050**	**6**	**7**

*Includes changes in actuarial assumptions

Reconciliation of fair value of plan assets

Reconciliation of fair value of scheme assets	WESTMINSTER 2010/11 £'000	WESTMINSTER 2009/10 £'000	LPFA 2010/11 £'000	LPFA 2009/10 £'000
Opening fair value of assets	543,620	378,830	16,808	15,915
Expected rate of return on scheme assets	38,740	23,390	942	658
Actuarial gains and losses	- 39,180	140,060	2,280	1,158
Employer contributions	15,580	16,750	217	255
Contributions by scheme participants	6,370	7,010	19	29
Net Benefits paid out *	- 23,850	- 22,420	- 1,337	- 1,207
Business combinations	-	-	-	-
Settlements	-	-	-	-
Closing fair value of assets	**541,280**	**543,620**	**18,929**	**16,808**

Consists of net cash-flow out of the Fund in respect of the employer excluding contributions and any death in service lump sums paid and including an approximate allowance for the expected cost of death in service lump sums. The overall Fund return over the accounting period without adjustment for last year's estimated return has been calculated as 7.1% (2009/10: 43.3%. Source Aon Hewitt) and 12% (Barnett Waddingham: LPFA).

BS_21 DEFINED BENEFIT PENSION SCHEMES.....Continued

Scheme History

History of fair value of plan assets, present value of defined benefit obligation and surplus/deficit in the plan

History of asset values, present value of liabilities	31-Mar 2010/11 £'000	31-Mar 2009/10 £'000	31-Mar 2008/09 £'000	31-Mar 2007/08 £'000	31-Mar 2007/06 £'000
Present value of defined benefit obligation					
Local Government Pension Scheme WCC	-885,420	-992,870	-710,750	-673,660	-754,960
Discretionary Benefits WCC	-36,750	-42,050	-38,760	-41,620	-41,620
LPFA Scheme	-20,189	-28,023	-19,573	-20,557	-23,290
Fair value of assets:					
Fair value of assets in LGPS	541,280	543,620	378,830	515,650	540,680
Fair value of assets in LPFA Plan	18,929	16,808	15,915	18,642	18,150
Surplus/(deficit) in the plan					
LGPS	-344,140	-449,250	-331,920	-158,010	-214,280
Discretionary Benefits	-36,750	-42,050	-38,760	-41,620	-41,620
LPFA Scheme	-1,260	-11,215	-3,658	-1,915	-5,140
Total	-382,150	-502,515	-374,338	-201,545	-261,040

The liabilities show the underlying commitments that the authority has in the long run to pay post employment benefits. The total liability of £922.1M has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance of £344.1M. However statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

1. The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

2. Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

3. Westminster's regular contributions for the accounting period ending 31 March 2012 are estimated to be £14.94M (£15.88M 2009/10). In addition Strain on Fund contributions may be required. In the accounting period to 31 March 2012, the Employer expects to pay £2.99M directly to beneficiaries in the form of discretionary benefits. As at 31 March, the Council contributed £0.2M (£0.2M 2009/10) to the LPFA scheme.

History of experience gains and losses

The actuarial gains identified as movements on the Pension Reserve in 2010/11 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2011.

History of experience gains and losses	31-Mar 2010/11 %	31-Mar 2009/10 %	31-Mar 2008/09 %	31-Mar 2007/08 %	31-Mar 2007/06 %
Westminster City Council LGPS Plan					
Experience gains/(losses) on assets	-7.2%	25.8%	-45.7%	-11.1%	-1.5%
Experience gains/(losses) on liabilities	2.8%	0.8%	-0.4%	1.7%	-0.2%
	31-Mar 2010/11 %	31-Mar 2009/10 %	31-Mar 2008/09 %	31-Mar 2007/08 %	31-Mar 2007/06 %
Discretionary Benefits Plan					
Experience gains/(losses) on liabilities	0.8%	3.0%	7.6%	-8.0%	-0.8%
	31-Mar 2010/11 %	31-Mar 2009/10 %	31-Mar 2008/09 %	31-Mar 2007/08 %	31-Mar 2007/06 %
LPFA Plan					
Experience gains/(losses) on assets	12.0%	6.9%	-16.7%	4.2%	-
Experience gains/(losses) on liabilities	16.4%	0.0%	0.0%	7.5%	-

This item consists of gains/(losses) in respect of liability experience only - and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

NOTES TO THE BALANCE SHEET

BS 22 TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 20X1/X2.

	Balance at 1 April 2010 £'000	Transfers Out 2010/11 £'000	Transfers In 2010/11 £'000	Balance at 31 March 2011 £'000	Transfers Out 2011/12 £'000	Transfers In 2011/12 £'000	Balance at 31 March 2012 £'000
<u>Earmarked Reserves</u>							
Adults PCT Reserve	-704	728	-697	-672	-	-	-672
Adults Support to Voluntary Organisations	-500	489	-	-11	-	-	-11
Building Schools for the Future	-86	-	-	-86	86	-	-
Economic Development Strategy & Enterprise	-8,650	1,093	-	-7,557	2,700	-	-4,857
Great Western Studio	-1,500	-	-	-1,500	1,500	-	-
Environmental Services Reserves	-789	310	-380	-859	10	-	-849
Wards Reserves	-	-	-553	-553	-	-	-553
Planning Fees in Advance Reserve	-	162	-438	-276	2,290	-	2,014
Volunteering Reserve	-373	74	-	-299	-250	-	-549
Other Council Reserves	-5,671	2,324	-733	-4,081	1,374	-	-2,706
Total Earmarked Reserves	**-18,273**	**5,179**	**-2,800**	**-15,894**	**7,710**	**-**	**-8,184**
Ring Fenced Revenue Schemes							
Adult Education Services - Scheme of Delegation (LSC)	-3,295	-	-488	-3,783	-	-	-3,783
Earmarked	-1,887	489	-931	-2,330	700	-	-1,630
Quinton Kyanaston Endowment Fund	-2,000	72	-72	-2,000	-	-	-2,000
Total Ring Fenced Reserves	-7,182	560	-1,492	-8,113	700	-	-7,413
Total Earmarked and Ring fenced Revenue Reserves	**-25,455**	**5,739**	**-4,292**	**-24,007**	**8,410**	**-**	**-15,597**
Revenue Grants Reserves (without conditions)							
Adults Grants Reserve	-138	-	-687	-825	340	-300	-785
Childrens Grants Reserve	-74	-	-58	-133	327	-250	-56
Housing Grants Reserve	-572	-	-	-572	446	-300	-426
Total Grants Reserves (without conditions)	**-785**	**-**	**-745**	**-1,530**	**1,113**	**-850**	**-1,267**
Grand Total Earmarked Reserves	**-26,239**	**5,739**	**-5,037**	**-25,537**	**9,523**	**-850**	**-16,864**

Notes
LSC - Learning Skills Council Funding
DSG - Dedicated Schools Grant

BS 23 CONTINGENT ASSET

(a) Dolphin Square
In connection with the sale of Dolphin Square, part of the proceeds was paid to the Dolphin Square Company which was set up to look after tenants rights. This includes a sum of £10.0 million, of which £5.0 million funding was from the City Council's share of proceeds. Any unexpended amount of this sum will earn interest and a share of the sum will be returned to the City Council on winding up of the Company, or when the relevant number of tenants is less than twenty.

(b) Property Overage agreements
In connection with the sale of the Grosvenor Waterside site, Bowater House Chiltern Street and Audley Square sites, the Council is entitled to further receipts subject to certain conditions, including planning consents being met. These sums are mainly in respect of provisions held by the Council within the contracts for receipt of a proportion of sales revenue from units of accommodation built on the site, if thresholds are exceeded. The additional income cannot be assessed at this time but significant sums are envisaged under the overage agreements relating to Grosvenor Waterside.

(c) VAT on Car Parking charges
Following the decision of the London VAT and Duties Tribunal on the claim of the Isle of Wight Council and others, the Council has reviewed the detail behind the decision and is of the opinion that its off-street car park charges fall outside of the scope of VAT also. As a consequence, the Council has formally submitted a claim for £20.0 million for the recovery of all VAT included as part of the Council's off-street car park charges and paid to HRMC as part of its monthly VAT returns for the period January 2003 to March 2008 inclusive

The Tribunal decision has been referred to the European Court of Justice and no refund has been anticipated in the accounts.

(d) Marshall Street Leisure Centre.
The Council has negotiated a development agreement affecting certain of its properties in the Soho area of the City with the aim of reopening Marshall Street Leisure Centre. The agreement will result in a new depot, a refurbished leisure centre and smaller car park for the Council, plus a capital receipt, offset by the disposal to the developer of the existing Poland Street car park.

BS_24 CONTINGENT LIABILITY

a) The Council has entered into an agreement with Veolia Environmental Services Plc (formerly known as Onyx UK Plc), through a special purpose vehicle Onyx Westminster Vehicles Ltd, to ensure that the Council retains the use of the refuse collection vehicle fleet in the event of the premature termination of the Onyx waste collection contract. If the contract is terminated, the Council will resume responsibility for the operating lease payments due to the lessor in respect of the fleet. The payments under the leases, which initially ran for seven years from September 2003, total £7.3 million. The possible liability is estimated at around £0.6 million.

b) In respect of Mental Health income repayment, the Council has, based on legal advice, made provision for repayments since the implementation of the Community Care Act 1993 (see note 38(ii)). No provision has been made for repayments prior to 1993. Should legal advice change, payments may be required to be backdated to the implementation of the Mental Health Act 1983. An estimate cannot be made at this time for repayments prior to 1993; however to date no enquiries or claims prior to 1993 have been received.

c) In respect of the disposal of Dolphin Square, the City Council has given indemnities to the Dolphin Square Trust in connection with the sale, providing that as Dolphin Square Trust has made a gift of substantially all of its share of the proceeds of the sale to the Dolphin Square Charitable Foundation, Dolphin Square Trust should receive an uncapped indemnity, unlimited in time, from the City Council to meet liabilities from the sale which it could not meet. This transfer has taken place with the Dolphin Square Trust being wound up. Liabilities arising other than from the sale also have an indemnity, but capped at £25.0 million. In the event of any claims under these indemnities, the first charge will be against an initial amount of £18.8 million available from the Dolphin Square Trust proceeds, plus additional sums mainly arising from lease option receipts. The amount available at 31 March 2008 to meet claims under the indemnities remains at £24.1 million. As far as the Council is aware, no claims or proceedings have been or are in the process of being pursued against the Council under the indemnity arrangements or the contract retention arrangements (see note 46(a) below).

d) The balance on the Paddington LTVA account as at 31st March 2010 is £1.3m. The main construction contract and scheme is now completed but there are a number of issues which have arisen resulting in a delay in closing the Paddington LTVA bank account. The key issue is in respect of a substantial compensation claim by a contractor. The options available to bring this to a conclusion are being investigated by the Council and its external advisors.

e) This authority currently has the following investment's) frozen in Icelandic banks (Heritable Bank - £4.8 million & Landsbanki Bank - £6.4 million). The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership and is working with the U.K. Government to help bring this about. At the current time it is not possible to say with certainty that we will recover the entirety of our investment's) or when reimbursements will be made to this authority.

f) Pension Fund. In addition to Westminster City Council, a number of other bodies participate in the Fund by virtue of their eligibility under the Regulations or as a result of acquiring Admission Body Status. Where such bodies do not have an external guarantor of appropriate covenant, they represent a contingent risk to Westminster City Council because, in the event of the failure of such bodies, the responsibility for making good any funding shortfall would primarily fall back on Westminster City Council as the main employer in the Fund.

Westminster City Council, in its capacity as Administering Authority, has introduced a number of measures to manage and mitigate these risks. The measures include seeking appropriate external guarantors, establishing appropriate funding targets for employing bodies, conducting risk assessments prior to the admission of new employers , balancing affordability and solvency considerations in agreeing employer funding strategies with the Fund Actuary and, where appropriate, the requirement for insurance bonds to guarantee the performance of financial obligations.

In addition, the Administering Authority routinely monitors and quantifies its contingent risks as part of the regular triennial valuation cycle of the Fund. At 31 March 2010, the latest date at which the financial position of the Fund was examined, the combined funding deficit for all bodies, deemed to pose a potential risk to Westminster City Council, was evaluated to be approximately £9.8M.

BS_25 DEDICATED SCHOOLS GRANT

In 2006/07, the arrangements for government support for the funding of schools changed from funds previously being provided as part of the council's overall Revenue Support Grant to a specific grant - the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included within the Schools Budget. The Schools Budget includes elements for a restricted range of services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each school. Over- and under spends on the two elements are required to be accounted for separately.

£97.0 million (2009/10 - £90.9 million) has therefore been credited against the Children's Services outturn in the Income and Expenditure Account that would previously have been treated as part of Revenue Support Grant in corporate income.

Details of the schools budget funded by DSG receivable for 2010/11 are as follows:

	Central Expenditure £'000	Schools Budget £'000	Total 2010/11 £'000	Total 2009/10 £'000
Original DSG allocation to Schools Budget for 2010/11 in the Council's budget	12,701	84,344	97,045	90,277
Adjustment to finalised grant allocation	-	-	-	672
DSG receivable for the year	12,701	84,344	97,045	90,949
Actual expenditure for the year	-11,846	-84,451	-96,297	-90,750
(Over)/under spend for the year	855	-107	748	199
Planned top-up funding of ISB from Council resources	-	-	-	-
Use of balances brought forward	-	-	-	-86
(Over)/under spend from prior year	215	107	322	209
(Over)/under spend carried forward	1,070	-0	1,070	322

BS_26 BUSINESS IMPROVEMENT DISTRICTS (BIDS)

Five Business Improvement Districts (i.e. the Heart of London Business Alliance, the New West End Company, the Victoria, Paddington and Bayswater BID), have been set up in Westminster for the purpose of providing additional services or improvements to a specified area. These are funded in whole or in part by a levy additional to the non-domestic rates on such ratepayers. Westminster City Council acts as agent for the Five BID companies, and bills, collects and pays over the BID levy.

	New West End £'000	Heart of London £'000	Victoria £'000	Paddington £'000	Bayswater £'000	Total 2009/10 £'000	Total 2008/09 £'000
Balance 1 April	-130	-	-1	-	-31	-162	-515
Levy for 2010/11	2,415	1,349	585	442	646	5,438	3,958
Less: Allowances and write offs	-31	-38	-73	-15	-30	-188	-264
Amounts Receivable	2,254	1,311	511	428	585	5,088	3,179
Cash Received (net of refunds)	-2,707	-1,408	-545	-558	-659	-5,876	-3,354
Net Amounts Received in Advance	-453	-96	-34	-130	-74	-789	-175
BID Revenue Accounts were as follows:							
Balance b/f - amounts owing to BID	-200	-	-3	-	-52	-255	-693
BID revenues from levy	2,384	1,311	512	428	616	5,250	3,694
	2,185	1,311	509	428	563	4,995	3,001
less							
BID cost of collection	-24	-31	-25	-33	-17	-130	-65
Net payments to BID	-2,437	-1,223	-436	-536	-605	-5,238	-3,226
Provision for Irrecoverable Debts	-	-	-	-	-	-	35
	-2,461	-1,254	-461	-570	-622	-5,368	-3,256
Balance 31 March - amounts owing to/from (-) BID	**-277**	**57**	**47**	**-142**	**-59**	**-373**	**-255**

(i) Heart Of London Business Alliance.

This BID became operational on 14 February 2005 and is a scheme to enhance the area surrounding Piccadilly Circus and Leicester Square by operating services to help keep the area clean, safe and welcoming. Services include additional street cleansing services and street safety services. The BID finished its first term on 31 March 2006 but had a successful ballot to continue into a second term to March 2012.

(ii) New West End Company.

The BID became operational on 4 April 2005 and covers the Bond Street, Oxford Street and Regent Street areas. The BID's aims are to enhance the area's commercial potential and achieve a safer, cleaner, friendlier and more accessible environment with a reduced level of retail crime. All the projects are additional to those provided by existing public services. The BID has been extended to 2013 following a successful renewal ballot after the end of its first term on 31 March 2008.

(iii) Victoria BID.

The BID became operational on the 1st April 2010 (5 year term) working with the residents to ensure Victoria becomes a premier destination within London and achieves its full potential. The BID aims to achieve a safe and secure, clean and green, visitors destination, a prosperous economy and Showcase Victoria.

The Victoria BID works to ensure that corporate businesses, retailers and hospitality/leisure operators all benefit from the projects and services undertaken.

(iv) Paddington BID.

The BID became operational on 1 April 2005, and covers the Paddington area of the City. The BID levy is used to market and promote Paddington, make Paddington safer through a Community Safety team and CCTV and make Paddington more attractive. The first term will end 31 March 2010.

(v) Bayswater BID.

This BID commenced on 1 January 2010 for a 5 year term. The principle aim of the Bayswater BID Company is to improve the trading environment in a unique quarter of one of the greatest capital cities in the world. The BID aims to enhance the area by ensuring it is clean, safe and easily accessible. The Bayswater BID works to improve businesses and help in their promotion and marketability.

BS 27 PRIVATE FINANCE INITIATIVES AND SIMILAR CONTRACTS

Leisure Services PFI Scheme

Forrestor Court

Under the Haven PFI scheme, the operator has provided CoW with a new nursing home at Forrestor Court. The Council occupies the majority of the beds (max 90 and min 78) and a small element (approx 20 beds) is sold to the market place by the operator. Westminster City Council are Freeholders of the land. The operator valued the building at £4.2 million at bid and contract stage. There is no fixed unitary charge but the Council is charged per bed and they must use the max 90 bed allocation (78 guaranteed) otherwise adjustments to charges are made. The Council however retains control of the building and title passes to the Council at the end of the lease term.

The financial position is shown net in the Councils accounts.

Obligations under PFI Contracts

	Vehicles, Plant & Equipment £'000	Land & Buildings £'000	Total PFI Commitments £'000
in one year 2011/12	-	310	310
2012/13 to 2015/2016	-	1,241	1,241
2016 Onwards	-	1,861	1,861
Total	-	3,412	3,412

Date	Gross Value £'000	Accumulated Depreciation £'000	Net Book Value £'000	PFI Liability £'000
01-Apr-08	4,202	1,849	2,353	3,056
31-Mar-09	4,202	2,018	2,185	2,911
31-Mar-10	4,202	2,185	2,017	2,756
31-Mar-11	4,202	2,353	1,849	2,593

Assets acquired under a PFI and similar contract that are recognised on the authority's Balance Sheet are subject to MRP in the same way as assets acquired by other forms of borrowing.

Date	MRP Adjustment £'000
01-Apr-08	1,147
31-Mar-09	145
31-Mar-10	154
31-Mar-11	163

BS_28 CONSTRUCTION CONTRACTS

	2010/11 £'000	2009/10 £'000
Balance B/Fwd	1,438	1,242
Additional Works During 2010-11	288	646
Costs incurred to date	1,726	1,888
Revenue recognised:		
before 1 April 2010	-	-
during 2010/11 (Statutory Fees Recognised)	-	62
Statutory Fees Transferred to Revenue as a Surplus	**-**	**62**
Advances received	- 49	- 512
Statutory Fees Released	-	-
Gross Amount due	1,677	1,438
Comprising:		
amounts not billed	658	1,438
retentions	-	-

BS 29 LEASES

Authority as Lessee

Finance Leases

The Council has acquired two properties under finance leases. The assets acquired under these leases are carried as Property in the Balance Sheet at the following net amounts:

	31 March 2011 £'000	31 March 2010 £'000
Other Land and Buildings	3	3
Vehicles, Plant, Furniture and Equipment	-	-
	3	3

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2011 £'000	31 March 2010 £'000
Finance lease liabilities (net present value of minimum lease payments): current	-	-
Finance costs payable in future years	4,581	4,583
Minimum lease payments	4,581	4,583

The minimum lease payments will be payable over the following periods:	Minimum lease Payments		Finance lease Payments	
	31 March 2011 £'000	31 March 2010 £'000	31 March 2011 £'000	31 March 2010 £'000
Not later than one year	1	1	593	36,744
Later than one year and not later than five years	6	6	2,371	2,371
Later than five years	4,574	4,576	33,188	33,188
	4,581	4,583	36,151	72,302

The Council has granted operating leases in respect of two Investment Properties being commercial premises and offices which are treated as finance leases. Rental income receivable in respect of these operating leases for the year ending 31 March 2011 totalled £0.9 million (£0.9 million at 31 March 2010).

The Council has granted leases in respect of a number of Investment Properties principally commercial premises and business units which are treated as operational leases. Rental income receivable in respect of these operating leases for the year ending 31 March 2011 totalled £18.7 million (£10.8 million at 31 March 2010).

Operating Leases

The Council has a number of properties held under operating leases.

The future minimum lease payments due under non-cancellable leases in future years are:	31 March 2011 £'000	31 March 2010 £'000
Not later than one year	14,996	18,977
Later than one year and not later than five years	32,024	42,575
Later than five years	72,885	87,783
	119,904	149,335

The expenditure charged to the Cultural, Environmental, Regulatory and Planning Services line in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2010/11 £'000	2009/10 £'000
Minimum lease payments	5,680	5,680
Contingent rents	534	398
Sublease payments receivable	-19,648	-11,887
	-13,434	-5,809

BS_29 LEASES......Continued

Authority as Lessor

Operating Leases

The Authority leases out property and equipment under operating leases for the following purposes:

for the provision of community services, such as sports facilities, tourism services and community centres

for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	31 March 2011 £'000	31 March 2010 £'000
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-

As at 31 March 2011, the Council had entered into 25 year operational leases in respect of the majority of its car park portfolio.

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

BS_30 EVENTS AFTER THE BALANCE SHEET DATE

BS_31 TRUST FUNDS

The Council acts as trustee for other funds shown below, which are not	31 March 2010 £'000	Expenditure £'000	Income £'000	31 March 2011 £'000
City of Westminster Charitable Trust (note 1)	-18	12	-24	-30
Sir John Hunt's Gift (note 2)	-28	-	-	-28
Newton & Bagshaw Foundation (note 3)	-12	-	-	-12
Harvist Fund (note 4)	-72	-	-	-72
Arundel Street Trust (note 4)	-13	-	-	-13
Education Trust Funds (note 5)	-70	-	-	-70
Other Funds	-13	-	-0	-13
Total (note 6)	-226	12	-24	-238

Notes:

1 These funds are used mainly for donations to local charities and voluntary organisations operating within Westminster.

2 This fund was set for making grants to reduce hardship of former employees of the City of Westminster. No applications for grants were received during the year.

3 This Trust, originally formed during the 1930s, has been dormant for many years as its original purpose became inapplicable. New Trustees have been appointed recently who have reviewed the objects of the Trust and have decided that this Trust should be closed. Applications for its closure is therefore being pursued.

4 These funds are used for one-off grants (not exceeding £5,000 per grant) to voluntary organisations.

5 The Education Trust Funds are used for prize giving purposes by schools. No applications for assistance were received during the year.

6 These Trust Funds are not audited by the Council's Appointed Auditor, but are audited under separate arrangements.

BS_33 Heritage Assets

The Impact of the adoption of the new standard on the 2011/12 Financial Statements are as follows:

The Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 (the Code) has introduced a change in accounting policy in relation to the treatment of heritage assets held by the Authority, which will need to be adopted fully by the authority in the 2011/12 financial statements.

The authority is required to disclose information relating to the impact of the accounting change on the financial statements as a result of the adoption by the Code of a new standard that been issued, but is not yet required to be adopted by the Authority, in this case, heritage assets. As is set out above, full adoption of the standard will be required for the 2011/12 financial statements. However, the Authority is required to make disclosure of the estimated effect of the new standard in these (2010/11) financial statements. The new standard will require that a new class of asset, heritage assets, is disclosed separately on the face of the Authority's Balance Sheet in the 2011/12 financial statements.

The Code will require that heritage assets are measured at valuation in the 2011/12 financial statements (including the 2010/11 comparative information). The 2011/12 Code will permit some relaxations in the valuation requirements of heritage assets and this will mean that the authority is able to recognise more of its collections of heritage assets in the Balance Sheet. The Authority is unlikely to be able to recognise the majority of its heritage assets in future financial statements as it is of the view that obtaining valuations for the vast majority of these would involve a disproportionate cost of obtaining the information in comparison to the benefits to the users of the Authority's financial statements – this exemption is permitted by the 2011/12 Code.

HRA COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This account shows the cost of financing, managing and maintaining the Council's housing stock. The total cost is met by income from rents, charges and Government subsidies. The management of the Council's housing stock was delegated to CityWest Homes from 1 April 2000. Their management fee of £10,384,897 has been allocated across the various activities within the Housing Revenue Account.

		2010/11 £'000	2009/10 £'000
HRA Income			
Dwellings Rents(gross)	General needs housing, Temporary accommodation	- 61,326	- 60,658
Non-dwellings Rents (gross)	Commercial property, sheds and garages	- 8,684	- 6,333
Tenants' Charges for Services and Facilities	Service charges and Heating charges	- 8,356	- 9,545
Leaseholders' Charges for Services and Facilities		- 10,108	- 9,759
Other Charges for Services and Facilities	Community Centres and Public Houses	- 311	-
Contributions Towards Expenditure	Collection Allowances and Other Income	- 16,346	- 6,948
HRA Subsidy Receivable	Includes Major Repairs Allowance	- 1,327	- 3,537
Sums directed by the Secretary of State that are income in accordance with The CODE		-	-
Total HRA Income		**- 106,458**	**- 96,780**
HRA Expenditure			
Repairs and Maintenance	Responsive and Planned	18,699	13,544
Supervision and Management	Policy and Management, Right - to - buy administration and managing tenancies	34,490	35,301
Special Services	Communal	8,589	9,301
Rents, Rates, Taxes and Other Charges	Rates, taxes and insurance cost	1,636	1,724
Subsidy limitation Transfer to the GF		-	-
Transfer of HRA Surplus to the General Ledger		-	-
Transfer of HRA Subsidy Surplus to CLG		-	-
Increase/(decrease) in Provision for Bad or Doubtful Debts		253	3,510
Depreciation and Impairment of Fixed Assets		367,698	15,804
Amortisation of Deferred Charges and Intangible Assets		660	-
Debt Management Cost		136	88
Sums directed by the Secretary of State that are expenditure in accordance with The CODE		-	1
Total HRA Expenditure		**432,161**	**79,273**
Net Cost of HRA services as included in the whole-authority Income and Expenditure Account		**325,703**	**- 17,507**
HRA services share of Corporate and Democratic Core	Regulatory audit, committee support and bank charges	-	-
HRA share of other amounts included in the whole-authority Net Cost of Serviced but not allocated to specific services		-	-
Net Cost of HRA services including HRA share of costs not allocated to specific services		**325,703**	**- 17,507**
Gain or loss on sale of HRA non-current assets	Capital receipts less value of assets sold	- 2,416	- 657
HRA share of interest payable and similar charges including amortisation of premiums and discounts		9,408	11,448
HRA share of pensions interest cost and expected return on pensions assets		-	-
HRA Investment Income	Interest on HRA and MRR balances and mortgage interest	- 1,276	- 2,259
Surplus or deficit for the year on HRA Income and Expenditure Account		**331,419**	**- 8,975**

Movement on the Housing Revenue Account Statement

	2010/11 £'000	2009/10 £'000
Increase/(decrease) in the Housing Revenue Account Balance comprising:		
Surplus or deficit for the year on the HRA Income and Expenditure Account	331,419	- 8,975
Difference between interest payable and similar charges including amortisation of premiums and discounts determined in accordance with The CODE and those determined in accordance with statute	-	-
Difference between any other item of income and expenditure determined in accordance with The CODE and those determined in accordance with statutory HRA requirements (if any)	131	- 1,353
Gain or loss on sale of HRA non-current assets	2,416	657
HRA share of contributions to/from the pensions Reserve	-	-
Capital expenditure funded by the Housing Revenue Account	15,055	9,206
HRA share of the Minimum Revenue Provision	-	-
Sums directed by the Secretary of State to be debited or credited to the HRA that are not income or expenditure in accordance with The CODE	-	-
Net Increase/decrease before transfers to/from reserves	**349,021**	**- 465**
Transfer to/from Housing Major Repairs Reserve	- 9,612	- 3,664
Transfer to/from the Capital Adjustment Account	- 343,204	-
Transfer to/from Housing Repairs Account	-	-
Transfer to/from Other Earmarked Reserves	284	-
Increase/(decrease) in the HRA Balance for the year	**- 3,511**	**- 4,129**
HRA Balance Brought Forward	- 92,793	- 88,664
HRA Balance Carried Forward	**- 96,304**	**- 92,793**

NOTES TO THE HRA

HRA_1 Housing Assets Valuation

			31 March 2011 £'000	1 April 2010 £'000	31 March 2010 £'000
Council Dwellings					
	a)	Tenanted dwellings - vacant possession value	3,590,044	4,164,438	4,164,438
	b)	Less reduction for use as Social Housing	- 2,692,533	- 3,123,327	- 2,623,595
	c)	Tenanted dwellings - Fair Value	**897,511**	**1,041,111**	**1,540,843**
Other Land and Buildings			40,033	44,366	44,366
Vehicles, plant, furniture and equipment			-	-	-
Infrastructure and Community assets			-	-	-
Assets under construction			-	1,895	1,895
Surplus assets not held for sale			-	-	-
Investment properties			96,119	96,119	96,119
Assets held for sale			-	-	-
Total Property Assets			**1,033,663**	**1,183,492**	**1,683,224**

* Discount factor applicable to derive Fair Value of tenanted dwellings increased from 63% to 75% on 1st April.

HRA_2 Housing Assets Valuation Notes

a) The vacant possession value of HRA tenanted dwellings £4,164m (Note 1a))

b) The difference between the vacant possession value and the balance sheet value of dwellings within the HRA (Note 1b)) shows the economic cost to the Government of providing housing at below market rents. This cost is determined by applying a government prescribed discount rate (which changed from 63% to 75% on 1st April 2010) to the vacant possession value.

c) Deferred charges relate to capital spend which do not result in the creation, enhancement (including extension of the useful economic life or purpose of use) or purchase of a capital asset. HRA deferred charges take the following form:

(i) Grants given to HRA tenants (Assisted Purchase Grants) to relinquish their tenancy.
(ii) Capital works on non-HRA properties charged to the HRA capital programme.

In 2010/11, no grants were made.

During 2010/11, £0.66m of revenue expenditure funded from capital under statute was incurred on properties owned by Westminster Community Homes. This expenditure was charged to the HRA capital programme and will be reimbursed by WCH in 2011/12.

HRA_3 Housing Subsidy

	31 March 2011 £'000	31 March 2010 £'000
Allowance for management	14,777	14,723
Allowance for maintenance	20,067	20,059
Allowance for major repairs	12,392	12,018
ALMO allowance	5,920	5,920
Charges for capital	7,887	8,598
Rental constraint allowance	-	-
Other items of reckonable expenditure	76	76
Adjustment for previous year	145	-18
	61,264	61,376
Less guideline rent income	-59,923	-57,822
Less interest on receipts	-13	-17
Total Housing Subsidy	**1,328**	**3,537**

HRA_4 Analysis of Capital Funding

Analysis of Payments	31 March 2011 £'000	31 March 2010 £'000	Funding	31 March 2011 £'000	31 March 2010 £'000
HRA Works	30,132	23,750	Borrowing	-	-
Community Partnerships	-	937	Credit Approvals	-	-
Assisted Purchase Grants	-	-	Useable Capital Receipts	194	-
Other: RECS	660	-	Revenue Contributions	15,055	9,206
			Major Repairs Reserve	15,542	15,481
	30,791	**24,687**		**30,791**	**24,687**

A total of £5.34 million net of expenses (2009/10 - £2.6 million) was received from the sale of HRA properties, predominately from freehold sales, sales of void properties to Westminster Community Homes and through the Right to Buy scheme. Of this sum, £2.5 million had to be paid into the Housing capital receipts pool

HRA_5 Impairment Losses

In 2010/11, the HRA was charged an impairment loss of £345.7m in respect of HRA dwellings (2009/10 - £0.1m). The 2010/11 Impairment results from a 19% increase in the discount factor applied to the HRA dwellings Open Market Vacant Possession valuation to derive Fair Value (Existing Use Value - Social Housing).

HRA_6 Capital Asset Charges Accounting Adjustment

Capital asset charges (depreciation, deferred charges and impairment) are charged to the HRA within Net Cost of Services.

The purpose of the Capital Asset Charges Accounting Adjustment is to substitute capital asset charges within the HRA income & expenditure account with the HRA's share of real debt (interest) costs.

This is achieved by debiting to the HRA the difference between:

- the HRA's share of interest payable on the council's debt portfolio and;
- deferred charges plus impairment (Residual Capital Asset Charges) charged to the HRA,

where the HRA interest payable is greater than Residual Capital Asset Charges.

Where HRA interest payable is less than Residual Capital Asset Charges, the difference is credited to the HRA.

	31 March 2011 £'000	31 March 2010 £'000
HRA Interest Payable	9,359	10,223
Less:		
Impairment	345,694	128
Deferred Charges	660	-
Capital Asset Charges Accounting Adjustment	**-336,995**	**10,095**

HRA_7 Depreciation charges

	2010/11 £'000	2009/10 £'000
Council Dwellings	21,108	14,742
Other land and buildings	862	802
Vehicles, plant, furniture and equipment	34	132
Infrastructure and community assets	-	-
Assets under construction	-	-
Surplus assets not held for sale	-	-
Investment properties	-	-
Assets held for sale	-	-
	22,004	**15,676**

COLLECTION FUND

Collection Fund Revenue Account

	2010/11 £'000	2010/11 £'000	2009/10 £'000	2009/10 £'000
INCOME				
Council Tax Collectable	75,615		75,400	
Add: Council Tax Benefits	13,162		12,297	
		88,777		87,697
Business Rates Collectable	1,205,427		1,103,029	
Business Rate Supplement	69,845		-	
		1,275,272		1,103,029
Contributions to Fund Deficit	-		-	
		-		-
Total Income		**1,364,049**		**1,190,725**
EXPENDITURE				
Council Tax				
Precepts	39,774		39,728	
Montpellier Sq Precept	35		28	
Demand	48,501		48,738	
		88,310		88,494
B & D Debts:				
Written off	-		-	
Increase/(Reduction) in provision	100		100	
		100		100
		88,410		88,594
Business Rates				
Paid to National Pool	1,196,807		1,095,665	
BRS	68,518		-	
Cost of Collection	3,219		2,764	
BRS Cost of Collection	328		-	
		1,268,872		1,098,429
B & D Debts:				
Written off	-		-	
Increase/(Reduction) in provision	6,400		4,600	
		6,400		4,600
		1,275,272		1,103,029
Total Expenditure		**1,363,682**		**1,191,623**
Addition/(Reduction) to Fund Balance		367		-897
Balance b/fwd (Deficit)		-2,121		-1,224
Surplus / (Deficit) for year		367		-897
Balance c/fwd (Deficit)		-1,754		-2,121
Deficit Allocated				
Westminster		-964	*** Note 1**	-1,167
GLA		-790	*** Note 1**	-954
Total Deficit c/f		**-1,754**		**-2,121**

*** Note 1 re Prior Year Accounting**

This is based on revised estimates for the apportionment.
Based on estimates at 15 January 2009 the share was allocated into the accounts and adjusted in 2009/10 as follows:

	2009/10 £'000
Deficit Allocated	
Westminster	-292
GLA	-240
Total Deficit c/f	**-532**

NOTES TO COLLECTION FUND

COL_1 Income from Business Rates

Under the arrangements for the National Non-Domestic Rates (NNDR), the Council collects non-domestic rates for its area based on rateable values multiplied by a uniform rate. The total amount less certain reliefs and deductions is paid into a central pool.

The amounts included in the accounts were calculated as follows:
Non-domestic rateable value
The Total approximately £2.6 billion in 2009/10 and £2.6 billion in 2008/09) As per NNDR1 Return 2009-10)
Multiplied by uniform business rate (48.1p in 2009/10, 46.2p in 2008/09)

COL_2 Council Tax Base

The Council Tax base was calculated as follows:

	2010/11		2009/10	
	Distribution of Properties by Band	Equivalent Band D Properties	Distribution of Properties by Band	Equivalent Band D Properties
Band A	1,714	915	1,714	915
Band B	6,788	4,072	6,788	4,072
Band C	15,813	11,570	15,813	11,570
Band D	22,201	18,766	22,201	18,766
Band E	21,780	22,728	21,780	22,728
Band F	16,384	20,345	16,384	20,345
Band G	21,368	30,786	21,368	30,786
Band H	14,046	25,275	14,046	25,275
	120,094	134,457	120,094	134,457

The equivalent Band D properties calculation is after allowing for relevant discounts and applying the multiplier (see note 5 below).

The 2009/10 Council Tax base after allowing for adjustments for non collection and a contribution for Ministry of Defence dwellings, was 129,572 Band D equivalents (2008/09 - 128,043).

COL_3 Council Tax Requirements

The Council Tax requirements of Westminster and the Greater London Authority (GLA) are shown below. The GLA requirement includes the budgets of its four functional bodies i.e. the Metropolitan Police Authority, the London Fire and Emergency Planning Authority, Transport for London and the London Development Agency. The GLA requirement also includes a £20 contribution from Council Tax payer towards the delivery of the 2012 Olympic and Paralympic games, which has been collected since 2006/07.

	2010/11 £'000	2009/10 £'000
City of Westminster	378	378
Greater London Authority	310	310
Total	688	688

COL_4 Council Tax Bands

The Council Tax at each valuation band, before any applicable discounts, was as follows:

Band	Range of property values	Multiplier	2010/11 £'000	2009/10 £'000
A	Up to £40,000	6/9	458	458
B	£40,001 to £52,000	7/9	535	535
C	£52,001 to £68,000	8/9	611	611
D	£68,001 to £88,000	1	688	688
E	£88,001 to £120,000	11/9	840	840
F	£120,001 to £160,000	13/9	993	993
G	£160,001 to £320,000	15/9	1,146	1,146
H	Over £320,000	18/9	1,375	1,375

For properties in Montpelier Square, the Band D Council Tax for 2009/10 was £995 (i.e. £688 plus £307 for their Garden Committee requirements) (2008/09 £938 i.e. £688 plus £250).

COL_5 2009/10 Deficit

The net deficit at 31 March 2010 is to be shared between Westminster and the Greater London Authority as follows:

	31 March 2011 Restated SORP £'000	31 March 2010 Restated SORP £'000	Movement £'000
Deficit Allocated			
Westminster	-964	-1,167	203
GLA	-790	-954	164
Total Deficit c/f	**-1,754**	**-2,121**	**367**

ALLOCATIONS PER SORP 2009, BB5	Total £'000	Westminster £'000	GLA £'000
Demand / Precepts for 2009/10	75,615	41,596	34,019
Allocations	-2,121	-1,167	-954

ALLOCATIONS PER SORP 2009, BB5	Total £'000	Westminster £'000	GLA £'000
Demand / Precepts for 2009/10	88,466	48,665	39,801
Allocations	-2,121	-1,167	-954

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The Group Income & Expenditure Account shows the consolidated financial position of the authority and it's interest in CityWest Homes Ltd, Westminster Community Homes and Westco Ltd.

Year Ended 31 March 2010 Gross £'000	Gross Income £'000	Net £'000		Year Ended 31 March 2011 Gross £'000	Gross Income £'000	Net £'000
54,306	- 28,618	**25,688**	Central Services to the public	51,450	- 31,536	**19,914**
-	-	**-**	Court Services	-	-	**-**
130,929	- 30,445	**100,484**	Cultural, environmental, regulatory and planning services	124,774	- 29,635	**95,139**
251,467	- 180,918	**70,549**	Education and children services	245,458	- 184,314	**61,144**
103,472	- 88,258	**15,214**	Highways and transport services	107,259	- 91,454	**15,805**
83,343	- 91,910	**- 8,567**	Local authority housing (HRA)	88,473	- 101,058	**- 12,585**
341,174	- 332,066	**9,108**	Other housing services	348,524	- 341,338	**7,186**
146,077	- 50,111	**95,966**	Adult social care	143,513	- 53,981	**89,532**
9,296	-	**9,296**	Corporate and democratic core	9,986	-	**9,986**
5,173	-	**5,173**	Non distributed costs	- 113,163	-	**- 113,163**
-	-	**-**	Exceptional Items - Impairment of deposits with Icelandic banks	-	-	**-**
-	-	**-**	Exceptional Costs - Impairment/reversal (-) of deposits with Icelandic banks	-	-	**-**
-	-	**-**	Exceptional Costs - Investment Income due but not received from Icelandic banks	-	-	**-**
4,007	-	**4,007**	Exceptional Costs - Organisational Restructure	-	-	**-**
-	-	**-**	Exceptional Costs - HRA Impairment following change in dwellings revaluation basis	345,694	-	**345,694**
1,129,245	**- 802,326**	**326,918**	**Cost of services - continuing operations**	**1,351,967**	**- 833,315**	**518,653**
		3,128	Other operating expenditure			- 25,396
		25,171	Financing & Investment Income and Expenditure			- 61,910
		-	Surplus or Deficit of Discontinued Operations			-
		- 300,578	Taxation and Non -Specific Grant Income			- 317,882
1,129,245	**- 802,326**	**54,639**	**(Surplus) or Deficit on Provision of Services**			**113,465**
		-	Surplus or deficit on revaluation of available for sale financial assets			-
		- 208,112	(Surplus) or deficit arising on revaluation of fixed assets			307,467
		110,373	Actuarial (gains) or losses on pension assets and liabilities			- 17,880
		- 32	Other comprehensive income and expenditure			-
		- 43,132	**Total comprehensive income and expenditure**			**403,052**

GROUP BALANCE SHEET

The Balance Sheet shows the values of assets and liabilities held by authority. The net assets of the authority are matched by the reserves held by the authority. The reserves are presented within two categories, usable reserves and unusable reserves. Usable reserves may be used to provide services subject to statutory limitations on their use and the need to maintain prudent reserve levels for financial stability. Unusable reserves cannot be used to fund council services.

1 April 2009 £'000	31 March 2010 £'000	ASSETS	31 March 2011 £'000
		Non-current	
2,026,163	2,252,049	Property, plant and equipment	1,617,433
240,367	243,100	Investment property	284,656
-		Assets held for sale	-
259	566	Intangible Assets	1,675
190,654	192,639	Long -term investments	90,154
-	-	Other capitalised expenditure	2,082
23,374	36,091	Long -term debtors	42,249
2,480,817	**2,724,445**	**Total long term assets**	**2,038,249**
		Current	-
158,663	26,453	Short-term investments	18,637
1,307	1,480	Inventories	1,781
69,576	52,247	Short-term debtors	59,707
10,999	8,495	Cash and other cash equivalents	106,111
-	40,714	Assets held for sale	122,925
240,545	**129,389**	**Current assets**	**309,161**
		LIABILITIES	
8,873	3,582	Short-term borrowing	82
219,204	180,625	Short-term creditors	200,960
228,077	**184,207**	**Current Liabilities**	**201,042**
7,251	20,484	Long-term creditors	175
14,201	14,338	Provisions	16,453
242,080	238,469	Long-term borrowing	271,508
387,888	520,465	Other long-term liabilities	394,720
-	-	Donated Assets Account	-
102,778	93,654	Capital Grants - Receipts in Advance	84,267
754,198	**887,410**	**Long-term liabilities**	**767,123**
1,739,086	**1,782,217**	**Net assets**	**1,379,165**
222,150	192,799	Total Usable Reserves	210,088
1,516,936	1,589,438	Total Unusable Reserves	1,169,077
1,739,085	**1,782,217**	**Total Reserves**	**1,379,165**

MOVEMENT IN RESERVES STATEMENT

The statement shows the movement in year on reserve balances held by the authority. Usable reserves may be used to fund expenditure or reduce local taxation. Unusable reserves are other reserve balances and together with usable reserves collectively represent total reserve balances held by the authority. The deficit on provision of s
represents the true economic cost of providing the authority's services, a detailed analysis of these costs is presented within the authority's Comprehensive Income & Expenditure Account. The Comprehensive Income & Expenditure Account figures are different from the statutory amounts required to be charged to the General Fund and

	Revenue Reserves						Capital Reserves			Unusable Reserves								
	General Fund & £000's	Earmarked General £000's	Housing Revenue £000's	Earmarked HRA £000's	DSO Surpluses £000's	Schools Reserves £000's	Capital Receipts £000's	Capital Grants £000's	Total Usable £000's	Capital Adjustment £000's	Revaluation Reserves £000's	Collection Fund £000's	Financial Instrument £000's	Accumulated Absences £000's	Deferred Capital £000's	Pensions Reserve £000's	**Unusable Reserves £000's**	**Total Authority**
Balance at 31 March 2009	75,395	47,053	88,665	0	215	4,568	5,685	568	222,150	1,747,762	164,063	-673	-3,262	-3,305	239	-387,888	1,516,936	1,739,085
Movement in reserves during 2009/10																		
Surplus or (deficit) on provision of services (accounting basis)	-42,907	0	8,116	0	0	0	0	0	-34,791	0	0	0	1,315	0	0	-21,136	-19,821	-54,612
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	-42,907	0	8,116	0	0	0	0	0	-34,791	0	0	0	1,315	0	0	-21,136	-19,821	-54,612
Adjustments between accounting basis and funding basis under regulations	4,876	0	-3,987	0	0	0	1,231	3,303	5,423	-3,151	0	-493	-433	-266	0	-111,441	-115,784	-110,361
Net increase / Decrease before transfers to Earmarked Reserves	-38,031	0	4,129	0	0	0	1,231	3,303	-29,368	-3,151	0	-493	882	-266	0	-132,578	-135,606	-164,974
Transfers to / from Earmarked Reserves	20,963	-20,814	0	0	73	-222	0	0	0	-10,872	216,209	0	0	0	2,770	0	208,106	208,106
Increase / Decrease In Year	-17,068	-20,814	4,129	0	73	-222	1,231	3,303	-29,368	-14,023	216,209	-493	882	-266	2,770	-132,578	72,500	43,132
Balance at 31 March 2010 carried forward	58,327	26,239	92,794	0	288	4,346	6,916	3,871	192,782	1,733,739	380,272	-1,166	-2,380	-3,571	3,009	-520,466	1,589,436	1,782,218
Movement in reserves during 2010/11																		
Surplus or (deficit) on provision of services (accounting basis)	198,625	0	-323,666	0	0	0	0	0	-125,041	0	0	0	0	0	0	0	0	-125,041
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	198,625	0	-323,666	0	0	0	0	0	-125,041	0	0	0	0	0	0	0	0	-125,041
Adjustments between accounting basis & funding basis under regulations	-201,025	0	327,177	0	0	0	-2,304	770	124,617	-234,547	0	204	1,327	534	0	125,745	-106,737	17,880
Net Increase / Decrease before Transfers to Earmarked Reserves	-2,400	0	3,511	0	0	0	-2,304	770	-423	-234,547	0	204	1,327	534	0	125,745	-106,737	-107,161
Transfers to / from Earmarked Reserves	-1,804	-702	0	0	254	2,252	-3,894	0	-3,894	-23,670	-268,041	0	0	0	-287	0	-291,997	-295,891
Increase / Decrease In Year	-4,204	-702	3,511	0	254	2,252	-6,198	770	-4,317	-258,217	-268,041	204	1,327	534	-287	125,745	-398,734	-403,052
Balance at 31 March 2011 carried forward	54,123	25,537	96,305	0	542	6,598	718	4,641	188,464	1,475,522	112,231	-962	-1,053	-3,037	2,722	-394,721	1,190,702	1,379,166

CASHFLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of both the authority and the group during the reporting period. The Statement shows how the authority/group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority/group are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing to the authority/to and from the group.)

CITY OF WESTMINSTER
ENTITY AND GROUP CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2011

	2010/11 £'000	2009/10 £'000
Net Surplus/Deficit on the Provision of Services	- 123,240	- 87,442
Adjustments to net surplus/deficit on the provision of services for non cash movements	190,418	45,863
Adjustments for items included in the net surplus/deficit on the provision of services that are Investing & Financing activities	22,363	64,097
NET CASH FLOWS FROM OPERATING ACTIVITIES (NOTE AA)	89,541	22,518
NET CASHFLOWS FROM INVESTING ACTIVITIES (NOTE BB)	- 22,781	- 17,695
NET CASHFLOWS	66,760	4,823
NET CASHFLOWS FROM FINANCING ACTIVITIES (NOTE CC)	30,856	- 7,327
Increase/(Decrease) in Cash and Cash equivalents	97,616	- 2,504
Cash and cash equivalents at start of reporting period	8,495	10,999
Cash and cash equivalents at end of reporting period (Note DD)	**106,111**	**8,495**

Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2009/10 £'000		2010/11 £'000
13,227	Interest Received	5,024
-14,893	Interest Paid	-14,844
-	Dividends Received	-
-1,666	**Net cash flows from operating activities**	**-9,820**

Cash Flow Statement - Investing Activities

2009/10 £'000		2010/11 £'000
-176,877	Purchase of property, plant and equipment, investment property and intangible assets	-177,867
81,725	Purchase of short-term and long-term investments	6,463
-46,372	Other payments for investing activities	-15,055
2,576	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	28,485
-	Proceeds from short-term and long-term investments	-
121,253	Other receipts from investing activities	135,193
-17,695	**Net cash flows from investing activities**	**-22,781**

Cash Flow Statement - Financing Activities

2009/10 £'000		2010/11 £'000
1,687	Cash receipts of short- and long-term borrowing	31,408
-	Other receipts from financing activities	
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	-
-9,014	Repayments of short- and long-term borrowing	-552
-	Other payments for financing activities	-
-7,327	**Net cash flows from financing activities**	**30,856**

PENSION FUND OVERVIEW

Description of the Fund

The City of Westminster Superannuation Fund (the Fund) is an occupational public sector pension set up under the Superannuation Act 1972. The Act requires the Council to maintain a Pension Fund for its own employees and employees admitted to the Fund under an admission agreement.
The Fund's objectives are to provide a pool of assets sufficient to meet the long-term pension and benefits liabilities (as prescribed by the Local Government Pension Scheme Regulations) for its members.

The Council is the designated statutory body responsible for administering the City of Westminster Superannuation Fund (the "Fund"). The Council has delegated to the Superannuation Committee (SC) various powers and duties in respect of its administration of the Fund. The SC is an non-executive body responsible for the prudent and effective stewardship of the Fund, including administration of benefits and strategic management of fund assets.

It considers the following activities of the Fund:

1. Investment management & performance management;
2. Fund member administration arrangements;
3. Compliance with relevant laws and regulations;
4. Provision of guidance to officers in exercising delegated powers.

The main priority of the Council and the SC, when considering the investment policy is to maximise the pool of assets built up to fund pension fund member benefits (the likelihood that the promises made regarding members' pensions will be fulfilled). To support this, investments are spread across a number of asset types, including such as equities, bonds, property and cash. Spreading the investments in this way reduces the risk of a sharp fall in one particular market having a substantial impact on the whole fund. The SC obtains and considers advice from the relevant officers, Pension Fund's appointed actuary, (Aon Hewitt), as well as investment advice from its Investment Advisor, (Deloitte).

The objective of the Fund's financial statements is to provide information about the financial resources and activities of the Fund that might be useful in assessing the relationships between its benefit obligations and the accumulation of resources available to meet those obligations over time. They show the results of the stewardship of management that is the accountability of management for the resources entrusted to it and the performance of assets over the accounting period. The Fund's financial statement do not take into account liabilities to pay pensions after the year end. This is reported separately in the actuary's statement.

Investment Principles

The SC has regard for the Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 1999 which require administering authorities to prepare and review from time to time a written statement recording the investment policy of their Pension Fund. The purpose of this document is to satisfy the requirements of these Regulations, and to explain to Fund members, employers, and other interested parties how the Fund is managed, and the factors taken into account in doing so. The Statement of Investment Principles (SIP) outlines the broad investment principles governing the investment policy of the City of Westminster Superannuation Fund and demonstrates compliance with the "10 Investment Principles" identified in the Myners Review of Institutional Investment in the UK, together with the new investment principles issued in 2008 by Communities and Local Government.

The investment objective is to ensure that the Fund's investments maximise the likelihood that benefits will be paid to members as they fall due and to ensure the continued long-term financial support from the sponsoring employer. Set out below is the Fund's benchmark investment strategy as at inception on 1 June 2006 subsequently revised on 9 March 2011 and benchmark allocation as at 31 March 2011.

Asset Class	Allocation (%)	Benchmark
UK Equity	35.9	FTSE All-Share Index
Overseas Equity	20.6	FTSE World ex-UK (50% currency hedged)
North America Equity (Passive)	5.6	FTSE AW North America Index (1)
Europe (ex-UK) Equity	6.6	FTSE AW Developed Europe (ex-UK) Index (1)
Japan Equity	3.7	FTSE AW Japan Index (1)
Asia Pacific (ex-Japan) Equity	2.1	FTSE AW Developed Asia Pacific (ex-Japan) Index
Emerging Markets Equity	0.6	50% MSCI Emerging Markets Free Index; 50% FTSE AW Emerging Markets Index
Fixed Interest Gilts	5.0	FTSE A Gilts up to 15 Years Index
Sterling Non-Gilts	15.0	iBoxx Sterling Non-Gilt 1-15 Years Index
Schroders Property	2.5	IPD All Balanced Index
Hermes Property	2.5	IPD UK PPFI Balanced PUT Index
Total	**100.0**	

(1) 75% currency exposure hedged back to sterling
(2) rounding in percentage allocation totals

Asset Class	Actual Asset Allocation 31/03/2011 (£m)	Benchmark Allocation (%)
UK Equity (Active)	160.40	16.90
UK Equity (Passive)	119.70	16.90
Total UK Equity	**280.10**	**33.80**
Global Equity (Active)	153.70	20.60
Overseas Equity (Passive)	101.60	20.60
Global Equity	**255.30**	**41.20**
Total Equity	**535.40**	**75.00**
Fixed Interest Gilts	32.70	5.00
Sterling Non-Gilts	105.70	15.00
Total Bonds	**138.40**	**20.00**
Property	21.20	5.00
Total	**21.20**	**5.00**
Westminster In-House (Cash)	12.60	0.00
Total	**707.60**	**100.00**

Source: Deloitte Total Reward and Benefits Limited

From 2008/09 Under the Local Government Pension Scheme (LGPS) (Administration) Regulations 2008, Administering Authorities of LGPS Funds in England and Wales have been required to prepare a Pension Fund Annual Report. The 2010/11 Annual Report is due to be published by 1 December 2011. The 2009/10 report can be accessed by visiting the Councils' website www.westminster.gov/serviceanddemocracy/councils/counciltaxandfinance/pensions

PENSION FUND OVERVIEW

Basis of preparation of financial statements

The financial statements of the Pension Fund are prepared in accordance with IAS 26 *Accounting and Reporting by Retirement Benefit Plans* except where interpretations or adaptations to fit the public sector are detailed in the Code of Practice on Local Authority Accounting in the United Kingdom (The Code). The measurement of a pension fund's obligation to provide post employment benefits is in accordance with IAS 19 to the extent that there are no provisions in IAS 26 that would override these standards. The Code defines proper accounting practices for local authorities in England and Wales, Scotland and Northern Ireland. Under IAS 26 and the Code, a Retirement Benefit Plan is a reporting entity separate from the employers of the participants in the Fund for financial reporting purposes.

To the extent that they are not superceded by specific IAS 26 requirements, recognition, measurement, presentation and disclosure of financial instruments are prepared in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, IAS 32 *Financial Instruments Presentation* and IFRS 7 *Financial Instruments: Disclosures*. IAS 19 Post Employment Benefits govern the measurement of a Pension Fund's obligation to provide Pension Benefits. The 2010/11 Code is the first to be based on International Financial Reporting Standards (IFRSs), this is therefore the first time that Pension Fund accounts will be based on IFRS.

The financial instruments held by the pension fund are recognised and measured in accordance with the financial instruments standards as mentioned in the previous paragraph. The disclosure of Investment Assets and Income is in accordance with the Financial Reports of Pension Schemes - A Statement of Recommended Practice (the Pensions SORP).

The fund's financial statement does not take into account the actuarial present value of promised retirement benefits. IAS 26 gives administering authorities the option to disclose this information in the Net Asset statement, in the notes to the accounts or appending an actuarial report, prepared for this purpose. The authority has opted to disclose this information in an accompanying report to the accounts on page 103.

Employers Contributions to the Fund in 2011

Employers pay contributions to the Fund as determined by the actuary and agreed with the Administering Authority. In the tables below contribution for each employer is set out, analysed into appropriate categories of Normal, Additional, Added Years, Strain and Deficit contributions. Normal contributions are contributions payable at the certified rate set out in the table above. Strain contributions are payable by employers where members retire earlier than their retirement date. Deficit contributions are payable where the actuary has agreed with an employer, a deficit recovery plan. Additional contributions by members are voluntary contributions over and above the member's normal contribution rate. Added years contributions are contributions paid to purchase a notional additional period of pensionable service. This may arise by the payment of AVCs, from the receipt of a transfer payment or as an augmentation.

Scheduled Bodies Normal Contributions	Employers £'000	Employees £'000
Westminster Employers		
Westminster City Council	13,112	5,655
St Marylebone School	77	33
St Augustine School	70	28
College Park School	25	10
Greycoat School	107	43
Hallfields School	93	37
Quinton Kynaston School	152	63
Westminster City School	83	34
Soho Parish	30	12
Edward Wilson J M I School	38	14
Essendine Primary School	45	18
George Elliott School	30	11
LG Burdett Coutts C E Primary School	36	14
Paddington Green J M I School	30	12
Portman Early Childhood Centre	53	21
Queen's Park Primary School	39	15
Robinsfield Infants School	27	10
St Barnabas C E School	16	6
St Gabriel's C E School	29	11
St Mary Bryanston Square	29	11
St Mary Magdalene C E School	15	6
St Matthew's C E School	28	11
St Peter's C E School (W9)	32	13
Westminster Employers	14,196	6,088
Scheduled Bodies	**£'000**	**£'000**
Paddington Academy	102	62
Westminster Academy	112	55
King Solomon Academy	59	25
Pimlico Academy	229	91

	Employers £'000	Employees £'000
Admission Bodies Normal Contributions		
Age Concern	3	1
City West Homes	970	463
Independent Housing Ombudsman	252	98
Tenants Services Authority	1,000	708
Housing 21	347	115
Housing 21	27	7
Homes and Communities Agency	906	561
Ramesys	23	10

PENSION FUND OVERVIEW

Deficit Contributions were received from the following bodies in accordance with the Actuary's agreement. Strain contributions were received from Westminster City Council.

	£'000
Tenant Services Authority	2,154
Housing & Communities Agency	2,016
Westminster City Council	1,380

Added years and Additional Contributions were received from the following Employers

	Added Years £'000	Additional £'000
Westminster City Council	234	50
Independent Housing Ombudsman	1	-
Paddington Academy	1	-
Homes and Communities Agency	5	-

The added years contributions above represent members' purchase of added years or additional benefits under the Scheme. A further facility is provided whereby members can make Additional Voluntary Contributions, on a money purchase basis, which are invested in insurance policies with The Equitable Life Assurance Society or Aegon (Scottish Equitable) on behalf of the individual members concerned. These contributions are not part of the Pension Fund and are not therefore reflected in the Fund's accounts. A statement of the value of these investments is given in Note 10 - Pension Fund Policies.

The Fund paid benefits to members of the following employers. The summary excludes lump sum retirement benefits, death benefits and recoveries of overpayments to members.

Employer	£'000
Age Concern	14
Association of Local Government	61
Capital Careers Ltd	46
City West Homes	244
Elonex	15
Housing 21	167
Housing Corporation	2,613
Independent Housing Ombudsman Limited	49
Institute of Public Finance	25
Paddington Academy	13
Queens Park FSU	35
Westminster Academy	15
Westminster City Council	25,515
London Pension Fund Authority	1
Total Benefits Paid in 2011	**28,811**

Investment Performance Summary

The investment portfolio is managed by five external managers who are Hermes Investment Managers (Property), Insight Investment Managers (Bonds) , Majedie Investment Managers (UK Equity), Newton Investment Managers (Global Equity), Schroder Investment Management (Property) and State Street Global Asset Managers (Passive UK & Global Equity). All managers have discretion to buy and sell investments within the constraints set by the Council's Superannuation Committee and their discretionary Investment Management Agreements.

Custodian Report on Asset Allocation and Benchmarks 2010/11

The current asset allocation is Equity 75.73%; Fixed Income 19.5%; Property 2.98% and other assets 1.79%. This revised asset allocation takes into account the relatively recent move into property assets - the benchmark asset allocation until this point was Equity 75%; Fixed Income 25%.

Domestic Equity Market Value	282,079
Domestic Equity %	39.9
International Equity Market Value	243,841
International Equity %	34.5
Domestic Fixed Income Market Value	103,625
Domestic Fixed Income %	14.6
International Fixed Income Market Value	26,063
International Fixed Income %	3.7
Real Estate Market Value	20,827
Real Estate %	2.9
Alternative Investments Market Value	125
Alternative Investments %	0.0
Pure Cash	-769
Pure Cash %	-0.1
Pay Receivables	-101
Pay Receivables %	-0.0
Short Term Market Value	31,608
Short Term %	4.5
Miscellaneous Market Value	426.4
Fund Market Value as at 31 March	707,341

Asset Manager Performance 2010

Asset Manager	Performance against Benchmark	Market Value	1 year performance	(%) of Total Fund
Majedie			9.22	
Majedie Composite Benchmark	FTSE World ex-UK (50% currency hedged)			
	FTSE AW North America Index (1)			
	FTSE AW Developed Europe (ex-UK) Index (1)			
	FTSE AW Japan Index (1)			
	FTSE AW Developed Asia Pacific (ex-Japan) Index			
	50% MSCI Emerging Markets Free Index; 50% FTSE AW Emerging Markets Index		8.72	
	Excess Return	160.36	0.50	22.67
SSGA (World Equity)			7.38	
SSGA (World Equity) Composite Bench	FTSE World ex-UK (50% currency hedged)			
	FTSE AW North America Index (1)			
	FTSE AW Developed Europe (ex-UK) Index (1)			
	FTSE AW Japan Index (1)			
	FTSE AW Developed Asia Pacific (ex-Japan) Index			
	50% MSCI Emerging Markets Free Index; 50% FTSE AW Emerging Markets Index		8.24	
	Excess Return	101.51	-0.86	14.35
SSGA (UK Equity)	SSGA (UK Equity)		9.18	
	FTSE All-Share Index		8.72	
	Excess Return	119.69	0.46	16.92
Newton	Newton		9.48	
Newton Composite Benchmark	FTSE World ex-UK (50% currency hedged)			
	FTSE AW North America Index (1)			
	FTSE AW Developed Europe (ex-UK) Index (1)			
	FTSE AW Japan Index (1)			
	FTSE AW Developed Asia Pacific (ex-Japan) Index			
	50% MSCI Emerging Markets Free Index; 50% FTSE AW Emerging Markets Index		6.81	
	Excess Return	154.16	2.67	21.79
Insight IM (Core)	Insight IM (Core)		5.03	
	iBoxx Sterling Non-Gilt 1-15 Years Index		4.88	
	Excess Return	105.28	0.15	14.88
Insight IM (Gilts)	Insight IM (Gilts)		4.21	
	FTSE A Gilts up to 15 Years Index		4.31	
	Excess Return	32.68	-0.10	4.62
Insight IM (Enhanced)	Insight IM (Enhanced)			
	Insight IM (Enhanced) Benchmark		0.73	
	Excess Return			0.00
Hermes Property UT				
	IPD UK PPFI Balanced PUT Index	14.47		2.05
Schroders				
	IPD All Balanced Index	6.57		0.93
City of Westminster Total Fund	City of Westminster Total Fund	707.34	7.56	
	Total Fund Benchmark Reflex		7.45	
	Excess Return		0.11	100.0

Investment risk

The legal responsibility for the prudent and effective stewardship of the City of Westminster Superannuation Fund, administration of benefits and strategic management of fund assets rests with the Superannuation Committee, established by the Council. This Committee has full delegated authority to make investment decisions, terms of which are set out in the constitution and terms of reference. It receives advice from relevant officers, the Fund's appointed actuary, (Aon Hewitt), investment managers, custodian and investment advisors. The Committee has regard for the Myners best practice principles and the government's six new investment principles issued in 2008 which are published in the Statement of Investment Principles. All Committee Members attend formal training to enable the effective challenge and evaluation of reports and advice they receive from external advisors and managers. Decision making, due diligence and discharge of the fiduciary duty to pension fund stakeholders is therefore supported by current policies and procedures.

The Superannuation Committee accepts its fiduciary responsibility to manages risk to provide reasonable assurance that risks are being managed within acceptable parameters. This involves monitoring the risk environment continuously and identifying and reducing risks on a daily basis to ensure as far as possible that all financial and non financial risks are identified and managed within acceptable parameters.

Key Risks

The key risks facing the fund are set out in the Statement of Investment Principles. By way of summary these risks and mitigating actions are set out below:

1. Strategic risk relating to investment strategy including asset allocation:
• Appointment of specialist investment managers to secure a wider level of diversification of investment strategies and investments;
• Investments in alternative assets are allowed only in property via pooled funds or the use or derivatives for rebalancing asset allocation and hedging appropriate risks;
• Alignment of risk appetite to funding objectives
2. Investment risks (including equity, credit and other asset class risk):
• Investments are largely made in quoted assets. Investment in unquoted assets is only allowed through pooled funds.
• Adherence to LGPS regulations on holdings and manager limits - Investments are monitored to ensure they are in accordance with the current requirements of the LGPS Regulations, which specify certain limitations on investments. Principally, these place a limit of 10% of the total value of the fund in any single holding, or deposits with a single bank or institution, or investments in unlisted securities, and not more than 35% of a portfolio can be invested in collective investment schemes managed by a single manager.
3. Performance risks
• Asset allocation benchmarks are used and performance is monitored relative to the targets set
• independent evaluation and analysis of fund performance & custodian performance;
• reviewing benchmarks and asset allocation; financial markets review; and,
• Reviewing changes in the Investment Manager's business.
4. Third Party Risks

At the end of the reporting year a report of the Statement on Auditing Standards (SAS) 70 is received from the Custodian, Bank of New York Mellon. Similarly, AAF01/06 or SAS70 statements are received for each Fund Manager. These reports describe internal controls in operation and tests of operating effectiveness in the third party's

PENSION FUND OVERVIEW

The Actuarial Position of the Fund & Funding Policy

The Local Government Pension Scheme Regulations 1997 as subsequently amended by Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 requires the Administering Authority to carry out a formal valuation of the Fund every three years. The main purpose of the valuation is to review the financial position of the Fund and to recommend the contribution rates payable to the Fund in the future.

The triennial valuation was signed by the actuaries, Aon Hewitt, on 31 March 2011. It provides a position of the pension fund as of 31 March 2010, together with the view of the actuaries of the deficit based on certain assumptions. The triennial valuation also sets out the common contribution rate for the fund of 12.4% of Pensionable Pay and the individual contribution rate to be paid by each Employer from 1 April 2011 to 31 March 2014. These represent the minimum contributions to be paid by each Employer. Employers may choose to pay additional contributions from time to time subject to the Administering Authority's agreement. The rates for 2011 are set out below.

Employer	Additional Monetary Amount £'000
Scheduled Bodies	
Westminster City Council	-
Paddington Academy	-
Westminster Academy	-
King Solomon Academy	-
Pimlico Academy	-
Admission Bodies	
Age Concern	20
Independent Housing Ombudsman Ltd	90
Housing 21	181
City West Homes	343
Housing & Communities Agency	2,702
Tenant Services Authority	2,949
Housing 21	-
Ramesys	-

Valuation Results

The financial position of the Fund was assessed against the Funding Target at 31 March 2010. There is a shortfall of £238.1M relative to the funding target (i.e. the level of assets agreed by the Authority and the Actuary as being consistent wit the Funding Strategy Statement appropriate to meet member benefits, assuming the Fund continues as a going concern). This corresponds to a funding ratio of 74% (2007: 79%).

The aggregate Employer future service contribution rate is calculated to be 12.4% of Pensionable Pay. The aggregate Employer contribution rate required to restore the funding ratio to 100%, using a recovery period of 30 years from 1 April 2011 is calculated to be 20.4% of Pensionable Pay (2007:17.6%) assuming membership numbers remain broadly stable and Pensionable Pay increases in line with the actuary's assumptions. The actuarial net liability funding level as at 31 March 2011 is as follows:

Recent changes to public service pensions

In his budget on 22 June 2010, the Chancellor announced that with effect from 1 April 2011 public service pensions would be up-rated in line with the consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). This has the effect of reducing the Funds liabilities in the pension fund by £109M and has been recognised as a past service gain in accordance with guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement. There is no impact upon the General Fund or Housing Revenue Account.

The change to CPI means that with effect from 1 April 2011, increases to local government pensions in payment and deferred pensions in respect of both past and future accrual will be linked to annual increases in the Consumer Price Index (CPI) rather than the Retail Price Index (RPI).

Westminster LGPS Plan	Value as at 31/03/2011 £M's	Value as at 31/03/2010 £M's	Value as at 31/03/2009 £M's
Funding Level	541.28	543.62	378.83
Present value of funded defined benefit obligation	885.42	992.87	710.75
Pension asset/(liability) before consideration of para. 58	-344.14	-449.25	-331.92
Adjustment in respect of para. 58	0.00	0.00	0.00
Pension asset/(liability) at period ending 31 March 2011	-344.14	-449.25	-331.92

The net pension liability for the Westminster Fund is £344.1M (the comparator for Westminster in 2009/10 was £449.3M). For completeness of disclosure the 2009/10 funding level of £503.4M included the net liabilities arising from discretionary benefits of £42M and LPFA LGPS of £11M.

The improvement in the funding level mainly arises from the change in assumptions announced in the UK budget statement on 22 June 2010. The Chancellor announced that with effect from 1 April 2011 public service pensions will be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). This has the effect of reducing Fund liabilities by £109.1M and has been recognised as a past service gain in accordance with guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement. there is no impact upon the General Fund (or Housing Revenue Account). Please refer to the IAS 19 disclosure on post employment benefits in the main statement of accounts for more information.

PENSION FUND OVERVIEW

Actuarial Present Value of Promised Retirement Benefits

The authority has chosen to disclose the actuarial present value of promised retirement benefits in line with Option C. Option C requires the actuarial valuation of the liabilities on an IAS19 basis to be prepared at formal triennial valuations only, the most recent being as at 31 March 2010. CIPFA have indicated that comparator figures are also required from the previous valuation date, 31 March 2007. Under Option C, the valuation of liabilities will be disclosed in an actuarial report which will accompany the accounts.

IAS19 requires that assets be valued at Fair Value which is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. For the purposes of this exercise we have taken the asset values directly from the Fund's audited annual accounts as at 31 March 2010 and 31 March 2007. Treatment of Risk Benefits To value the risk benefits we have valued service related benefits based on service completed to the date of calculations only.

The results at both dates are shown in the table below. The corresponding fair value of Fund assets is also shown in order to show the level of surplus or deficit within the Fund when the liabilities are valued using IAS19 assumptions.

The latest full triennial actuarial valuation of the Fund's liabilities in accordance with the requirements of IAS26 took place at 31 March 2010. The principal assumptions used by the Fund's independent qualified actuaries were:

	31-Mar-10 (% p.a)	31-Mar-07 (% p.a)
Discount rate	5.5	5.3
RPI Inflation	3.9	3.2
CPI Inflation	3	n/a
Rate of increase to pensions in payment*	3.9	3.2
Rate of increase to deferred pensions*	3.9	3.2
Rate of general increase in salaries **	5.4	4.7

* In excess of Guaranteed Minimum Pension increases in payment where appropriate
** In addition, we have allowed for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31 March 2010.

		Standard SAPS Normal Health All Amounts (S1NFA)	PNMA00
Principal Demographic Assumptions			
Longevity at 65 for current pensioners			
	Men	22.1%	21.2%
	Women	24.3%	23.3%
Longevity at 65 for future pensioners			
	Men	24.0%	23.1%
	Women	26.3%	24.5%

Please refer to the full actuarial report accompanying these accounts for more information

Membership Statistics

Employer	Mar 11 Actives	Mar 10 Actives	Mar 11 Deferred	Mar 10 Deferred	Mar 10 Pensioners	Mar 11 Dependants	Mar 10 Dependants
Westminster City Council	3,048	3,138	4,740	4,513	3,457	862	859
Housing Corporation	-	-	539	559	340	49	44
IPF	-	2	2	3	6	-	-
Queens Park FSU	-	-	6	6	5	1	1
Age Concern	-	2	13	14	9	1	1
Association of Local Government	-	-	12	13	6	1	-
Capital Careers Ltd	-	-	44	48	10	-	-
Independent Housing Ombudsman	27	30	18	16	3	3	1
Housing 21	107	117	63	56	62	4	2
City West Homes	175	184	109	97	20	-	-
Elonex Ltd	-	-	3	3	1	-	-
Paddington Academy	32	32	29	-	4	3	-
Westminster Academy	43	48	27	21	2	-	-
King Soloman's Academy	20	11	5	1	-	-	-
Pimlico Academy	50	39	18	3	3	-	-
Homes & Communities Agency	202	221	22	16	15	2	2
Tenants Services Authority	191	209	48	21	30		-
Housing 21 Scheme 2	5	5	1	1	-		-
	2	-	-	-	-		
	3,903	**4,038**	**5,699**	**5,391**	3,973	926	910

Source: LPFA Annual Report (March 2011; March 2010)

Related Party Transactions

It is the Council's view that due to the nature of the Committee's membership, there are no relevant related party transactions for accounting purposes.

PENSION FUND STATEMENT OF ACCOUNTING POLICIES

Westminster City Council have adopted and applied the Code of Practice of Local Authority Accounting 2010/11 to the Pension Fund accounts. The principal accounting policies of the scheme are as follows:

1. Investments

Investments are shown in the accounts at fair value which is defined as the amount an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms length transaction. Marketable securities are valued at market value measured by the current bid price.

Quoted Investments have been valued at 31 March 2011 by the Fund's Custodian using internationally recognised pricing sources (bid price at market value). Unquoted investments are included at fair value based on valuation advice from the investment manager.

Fixed interest securities are stated at their clean prices, that is, excluding accrued income. Accrued income is accounted for within investment income.

Pooled Investment Vehicles are stated at bid price or at the Net Asset Value quoted by their respective managers at 31 March 2011.

Derivatives are stated at market value. Exchange traded derivatives are stated at market values determined using market prices. For Exchange Traded Derivative Contracts which are Assets, market value is based on quoted bid prices. For Exchange Traded Derivative Contracts which are Liabilities market value is based on quoted offer prices. Open futures contracts are included in the net asset statement at their fair market value, which is the unrealised profit or loss at the current bid or offer market quoted price of the contract. Amounts due to the broker represent the amounts outstanding in respect of the initial margin (representing collateral on the contracts) and any variation margin which is due to or from the broker. The amounts included in the profit and losses on disposal of investments and change in market value are the realised gains or losses on closed futures contracts and unrealised gains or losses on open futures contracts.

Over the Counter (OTC) derivatives are stated at market value using pricing models and relevant market data as at the year end date.

Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

All gains and losses arising on derivative contracts are reported within “Profits and losses on disposal of investment and changes in value of investment.

Acquisition costs of investments are treated as part of the investment cost.

2. Investment Income

Dividends from quoted securities are accounted for when the security is declared ex-div.

Interest is accrued on a daily basis.

Investment income is reported net of attributable tax credits but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.

Investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled Investment Vehicles and reflected in the unit price. It is reported within “Profit and Losses on Disposal of Investments and Change in Market Value”.

3.Taxation

The Fund is an exempt approved fund under the Income and Corporation Taxes Act 1988 and is therefore not liable to certain UK income tax on investment income or to capital gains tax. As the Council is the administering authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment expenses. For taxation of overseas investment income please see note 8 in the Notes to Accounts.

i. Value Added Tax

The Fund’s administering authority Westminster City Council is reimbursed VAT by H. M. Revenue and Customs and the accounts are shown exclusive of VAT.

ii. Income Tax

The Fund is a wholly exempt fund and some UK income tax is recoverable from the Inland Revenue. Where tax can be reclaimed, investment income in the accounts is shown gross of UK tax.

iii. Capital Gains Tax

No capital gains tax is chargeable.

iv. Taxation of Overseas Investment Income

The Fund receives interest on its overseas government bond portfolio gross, but a variety of arrangements apply to the taxation of interest on corporate bonds and dividends on overseas equities.

4. Foreign Currencies

Investments held in foreign currencies are shown at market value in sterling calculated using the prevailing applicable exchange rate as at 31 March 2011.

5. Accruals Concept

Local Government Pension Scheme (LGPS) financial statements are drawn up under the accruals concept (i.e. to reflect income and expenditure as it is earned or incurred rather than when received or paid) on a consistent basis. The policies adopted in applying the accruals concept to significant categories of income and expenditure is set out in paragraphs 5 to 12.

6. Contributions

Employees normal contributions including additional voluntary contributions are accounted for at the time equivalent to when they are deducted from pay or when they have been remitted from participating authorities. Employer normal contributions are accounted for in the period they are due under a schedule of contributions.

Employer deficit funding contributions are accounted for on the due date on which they are payable in accordance with the recovery plan under which they are paid.

7. Payments to members

Benefits are accounted for in the period in which the member notifies the Fund of the decision on the type or amount of benefit to be taken (a liability arises at the date at which a choice is made) or if there is no member choice, on the date of retirement or leaving.

8. Transfers

Individual transfers in or out are accounted for on a cash basis when paid or received which is normally when member liability is accepted / discharged. Group transfers are accounted for in accordance with the terms of the transfer agreement.

9. Expenses

Expenses are accounted for on an accruals basis to ensure expenses for the full accounting period are accounted for in the fund account.

10. Additional Voluntary Contributions

Additional Voluntary Contributions are not included in the pension fund accounts in accordance with Regulation 5(2) (c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 no. 1831).

The scheme provides for members to pay Additional Voluntary Contributions (AVCs) to increase their benefit entitlement at retirement subject to HMRC limits. Such contributions attract tax relief and provide increased benefits. AVCs for the defined benefit scheme are not included within the accounts and are paid over to be invested separately from the pension fund in the form of individual insurance policies with Aegon and Equitable Life. Members participating in this arrangement receive an annual statement made up to the 31 December confirming the amounts held to their account and movements in the year. At 31 March 2011 the total value of these AVCs was £1.5 million (31 March 2010 - £1.5 million). A statement of the value of these investments is set out below.

More information can be obtained from the AVC providers by writing to the following addresses:
Equitable Life Assurance Society, PO Box 177, Walton Street, Aylesbury, Bucks HP21 7HY.
Aegon, Edinburgh Park, Edinburgh EH12 9SE.

City of Westminster AVC Plan

	Aegon		Equitable Life Assurance Society	
Balance b/f as at 1 April 2010		956		523
Interest & Bonuses	-		32	
Contributions received				
- regular	52		-	
- special	4		-	
		56		32
Payments				
- retirement	65		5	
- relating to leavers	8		-	
		74		5
Net Value added to Fund		-18		27
Change in Value of Policies		52		-
Balance as at 31 March 11		990		550

Aegon have disclosed a difference between last year's closing balance and this year's opening balance. This is because monies had not been applied for a member before last years' accounts had been issued. Aegon further reports money still be invested at balance sheet date of £3,300.

11. Recharges from General Fund

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 permit the Council to charge administration costs to the Fund. A proportion of relevant Council costs has been charged to the Fund on the basis of actual time spent on Pension Fund business. Costs incurred in the management and administration of the fund are set out separately as follows:

12. Actuarial Present Value of Promised Retirement Benefits

Paragraph 6.5.2.8 of the Cipfa Code of Practice on Local Authority Accounting for 2010/11 sets out that the actuarial present value of promised retirement benefits should be disclosed and based on projected salaries. The financial statements include a report from the Actuary in this respect.

PENSION FUND INCOME AND EXPENDITURE STATEMENT

City of Westminster Superannuation Fund

Fund Account for the Year Ended 31 March 2011

	Note	2010/11 £'000	2009/10 £'000
Contributions and benefits			
Contributions	1	32,363	37,871
Transfers in from other pension funds	2	5,367	10,682
Other Income	3	10,660	52
		48,390	**48,605**
Benefits	4	-37,250	-37,356
Payments to and on account of leavers	5	-9,033	-6,126
Other Payments	6	-10,333	-13
Administrative Expenses	7	-4,187	-5,025
		-60,803	**-48,519**
Investment Income	8	14,370	17,275
Profits and Losses on Disposal of Investments and Changes in Value of Investments	9	35,558	170,639
Taxes on Income	8	-702	-837
		49,226	187,077
Net Increase (Decrease) in the Net Assets Available for Benefits During the Year		**36,812**	**187,162**
Opening IFRS Net Assets of the scheme at 1 April		670,371	483,238
Adjustment for Prior Year		-	-29
Surplus/(Deficit) on the Pension Fund for the Year		**707,183**	**670,371**

The pension fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end and must be read in conjunction with the Actuaries Report on IAS 26 which discloses the actuarial present value of promised retirement benefits and the Statement of the Actuaries for the year ended 31 March 2011 which accompany the Fund's Financial Statements.

PENSION FUND NET ASSETS

City of Westminster Superannuation Fund

Net Asset Statement as at 31 March 2011

	Note	2010/11 £'000	2009/10 £'000
Investment Assets	9		
Fixed interest securities	9(b)	117,901	174,883
Equities	9(c)	289,827	258,779
Pooled investment vehicles	9(d)	267,932	236,001
Derivative contracts	9(e)	278	38
Cash	9(f)	28,723	13,426
Other investment balances	9(g)	3,490	4,485
Other investment balances	9(g)	649	- 18,469
Investment liabilities	9		
Derivative contracts - Forward FX	9(e)	- 1,459	- 2,479
Borrowings	10	-	-
Current assets	11		
Debtors		2,089	990
Cash at Bank		- 40	4,021
Current liabilities	12		
Creditors		- 2,206	- 1,304
Net assets of the scheme available to fund benefits at the period end		**707,183**	**670,371**

The pension fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end and must be read in conjunction with the Actuaries Report on IAS 26 which discloses the actuarial present value of promised retirement benefits and the Statement of the Actuaries for the year ended 31 March 2011 which accompany the Fund's Financial Statements.

PENSION FUNDS NOTES TO STATEMENTS

1 Contributions

	2011 £'000	2010 £'000
From Employers		
Normal	18,236	18,913
Deficit Funding	4,170	4,149
Strain Payments	1,380	5,444
From members		
Normal	8,286	8,758
Additional Contributions	291	607
	32,363	**37,871**

2 Transfers in from other Pension Funds

	2011 £'000	2010 £'000
Group transfers in from other schemes	-	-
Individual transfers in from other schemes	5,367	10,682
	5,367	**10,682**

3 Other income

	2011 £'000	2010 £'000
Interest from loan to general fund	-	2
Repayment of Loan Principal	-	48
Other Income	10,660	1
	10,660	**52**

4 Benefits

Benefits paid include all pension payments with regard to added year benefits awarded by the Employer to LGPS members in respect of early retirement costs, including related pension increases, and pension increases in respect of certain bodies with no pensionable employees in the Fund.

	2011 £'000	2010 £'000
Pensions	-28,748	-27,010
Commutations of Pensions and lump sum retirement benefits	-7,582	-10,272
Purchased annuities	-	-
Lump sum death benefits	-920	-528
2008/09 Accrual	-	454
	-37,250	**-37,356**

5 Payment to and on account of Leavers

	2011 £'000	2010 £'000
Refunds to members leaving service	-115	-25
Payment for members joining state scheme	-	-
Purchase of annuities to match preserved benefits	-	-
Group transfers to other schemes	-	-
Individual transfers to other schemes	-8,917	-6,101
	-9,033	**-6,126**

6 Other payments

	2011 £'000	2010 £'000
Premiums on term insurance policies	-	-
Any other category of expenditure	-10,333	-13
	-10,333	**-13**

7 Administrative expenses

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 permit the Council to charge administration costs to the Fund. A proportion of relevant Council costs has been charged to the Fund on the basis of actual time spent on Pension Fund business. Costs incurred in the management and administration of the fund are set out separately as follows:

	2011 £'000	2010 £'000
Administrative Costs	-903	-898
Actuarial fees	-76	-52
Legal and other professional fees including Audit Fee	-13	-31
London Pension Fund Authority (Administration & Processing)	-234	-280
	-1,226	**-1,260**

Investment management expenses

The fees of the Fund's external investment managers reflect their differing mandates. Fees are linked to the market value of the Fund's investments and therefore may increase or reduce as the value of the investment changes. Fees are also payable to the Fund's custodian and other advisors.

	2011 £'000	2010 £'000
Investment management fees	-2,961	-3,765
	-2,961	-3,765
Total Administrative Expenses	**-4,187**	**-5,025**

8 Investment Income

	2011 £'000	2010 £'000
Interest from fixed interest securities	5,023	6,480
Dividends from equities	8,943	10,539
Income from pooled investment vehicles	172	66
Interest on cash deposits	232	191
Total investment income	14,370	17,275
Irrecoverable withholding tax	-702	-837
Net investment income	**13,668**	**16,438**

9 Investments

9(a) Profit and Losses on Disposal of Investments and Changes in Market Value

	Value as at 01 Apr-10 £'000	Purchases and derivative payments £'000	Sale proceeds and derivative receipts £'000	Change in value of investments £'000	Value as at 31-Mar-11 £'000
Fixed Interest Securities	174,883	138,891	-193,687	-2,186	117,901
Equities	258,779	145,441	-127,855	13,462	289,827
Pooled Investment Vehicles	236,001	129,272	-118,982	21,642	267,932
Derivative Contracts	38	2,097	-1,958	101	278
Cash Instruments	13,426	243,254	-228,051	94	28,723
	683,127	**658,954**	**-670,532**	**33,112**	**704,661**
Derivative Forward FX	-2,479	10,994	-13,393	3,419	-1,459
Cash deposits	-18,469	20,109	-	-991	649
Other investment balances	4,485	-	-1,013	18	3,490
	666,663	**690,057**	**-684,938**	**35,558**	**707,341**

The increase in new investments and change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year including profits and losses realised on sales of investments during the year.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the scheme such as fees, commissions, stamp duty and other fees. Transaction costs incurred during the year amounted to £718K (2009/10 £0.708K).

9(b) Fixed interest securities

	2011 £'000	2010 £'000
UK Public Sector	33,611	115,011
UK Corporate Quoted	63,768	59,873
Overseas Corporate Quoted	20,522	-
	117,901	**174,883**

9(c) Equities (including convertible shares)

	2011 £'000	2010 £'000
UK quoted	136,315	126,189
Overseas quoted	153,512	132,590
	289,827	**258,779**

9(d) Pooled investment vehicles

		2,011 £'000	2,010 £'000
UK Managed Funds	Other	136,264	236,001
UK Unit Trusts	Property	20,789	-
Overseas	Managed	110,879	-
		267,932	**236,001**

9(e) Derivative contracts

	2,011 £'000	2,010 £'000
Future contracts	278	38
	278	**38**

Exchange traded future contracts	**Expiration**	**Economic £'000**	**Market Value £'000**
UK LONG GILT FUTURE (LIF) EXP JUN 11			
EURO-BOBL FUTURE (EUX) EXP JUN 11	Less than 1 Year	18,982	204
EURO-BUND FUTURE (EUX) EXP JUN 11	Less than 1 Year	-811	4
EURO-SCHATZ FUTURE (EUX) EXP JUN 11	Less than 1 Year	-6,764	45
US 10 YR TREAS NTS FUTURE (CBT EXP JUN 11	Less than 1 Year	-1,993	6
US 2YR TREAS NTS FUT (CBT) EXP JUN 11	Less than 1 Year	-1,559	23
UK LONG GILT FUTURE (LIF) EXP JUN 11	Less than 1 Year	-2,041	-3
		5,814	**278**

	2011 £'000	2010 £'000
Forward foreign exchange contracts - Over the Counter Contracts		
Newton Investment Managers	-1,024	-3,293
Insight Investment Managers	-435	814
Total	**-1,459**	**-2,479**

Derivative receipts and payments represent the realised gains and losses on futures contracts.

The exposure to equities and fixed interest include futures on an economic exposure basis. Other than the Pooled Investment Vehicles and OTC derivatives (foreign exchange contracts) all the investments described above are quoted on recognised stock exchange. The Superannuation Committee have authorised the use of derivatives for efficient portfolio management purposes to reduce certain investment risks. The scheme's objective is to decrease risk in the portfolio by entering into futures positions to match assets that are already held in the portfolio without disturbing the underlying assets.

9(f) Cash Instruments

	2,011 £'000	2,010 £'000
UK	22,181	12,304
Overseas	6,542	1,122
	28,723	**13,426**

9(g) Other investment balances

	2011 £'000	2010 £'000
Amounts due from broker	-	-
Outstanding dividends & Recoverable Withholding Tax	3,490	4,485
Cash deposits	649	-18,469
Cash margin	-	-
		-
	4,139	**-13,984**

PENSION FUNDS NOTES TO STATEMENTS

10	**Borrowings**	**2011 £'000**	**2010 £'000**
	Sterling	-	-
	Foreign Currency	-	-
		-	-

11	**Current Assets**	**2011 £'000**	**2010 £'000**
	Cash	-	4,021
	Comprises of the following Debtors	-	-
	Contributions due from Employers	342	448
	Contributions due from Employees	170	211
	Contribution due in respect of early retirements	1,316	331
	Other current assets	260	-
	Total	**2,089**	**990**

12	**Current Liabilities**	**2011 £'000**	**2010 £'000**
	Accrued expenses	-485	-517
	Unpaid benefits	-1,010	-277
	Accrued management expenses	-517	-441
	Other credit balances	-195	-69
	Total	**-2,206**	**-1,304**

PENSION FUNDS STATEMENT OF THE ACTUARY FOR THE YEAR ENDED 31 MARCH 2011

Introduction

The Scheme Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the City of Westminster Pension Fund (the Fund) is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2010 by Aon Hewitt Limited, in accordance with Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008.

Actuarial Position

1. Rates of contributions paid by the participating Employers during 2010/11 were based on the actuarial valuation carried out as at 31 March 2007.

2. The valuation as at 31 March 2010 showed that the funding ratio of the Fund had decreased since the previous valuation with the market value of the Fund's assets at that date (of £670.4M) covering 74% of the liabilities allowing, in the case of current contributors to the Fund, for future increases in pensionable remuneration.

3. The valuation also showed that the required level of contributions to be paid to the Fund by participating Employers (in aggregate) with effect from 1 April 2011 was as set out below:
   - 12.4% of pensionable pay to meet the liabilities arising in respect of service after the valuation date.

     Plus

   - • 8.0% of pensionable pay to restore the assets to 100% of the liabilities in respect of service prior to the valuation date over a recovery period of 30 years from 1 April 2011, if the membership remains broadly stable and pay increases are in line with the rate assumed at the valuation of 5.3% p.a.

4. The majority of Employers participating in the Fund pay different rates of contributions depending on their past experience, their current staff profile, the recovery period and the funding strategy agreed with the Administering Authority.

5. The rates of contributions payable by each participating Employer over the period 1 April 2011 to 31 March 2014 are set out in a certificate dated 31 March 2011 which is appended to our report of the same date on the actuarial valuation.

6. The contribution rates were calculated taking account of the Fund's funding strategy as described in the Funding Strategy Statement, and for the majority of Employers using the projected unit actuarial method.

7. The main actuarial assumptions were as follows:

Discount rate	
Scheduled Bodies	7.5% a year
Admission Bodies	
In service:	6.25% a year
Left service:	4.75% a year
Rate of general pay increases	5.3% a year
Rate of increases to pensions in payment	3.3% a year
Valuation of assets	market value

   Further details of the assumptions adopted for the valuation were set out in the actuarial valuation report.

8. Contribution rates for all employers will be reviewed at the next actuarial valuation of the Fund as at 31 March 2013.

9. This statement has been prepared by the Actuary to the Fund, Aon Hewitt Limited, for inclusion in the accounts of the Westminster City Council. It provides a summary of the results of the actuarial valuation which was carried out as at 31 March 2010. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

   This statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

   Aon Hewitt Limited does not accept any responsibility or liability to any party other than our client, Westminster City Council, in respect of this statement.

Aon Hewitt Limited
Jun-11

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES

The rules and practices adopted by the authority that determine how the transactions and events are reflected in the accounts.

ACCRUALS

Amounts included in the accounts for income or expenditure relation to the financial year but not received or paid as at 31st March.

BALANCES (OR RESERVES)

These represent accumulated funds available to the authority. Some balances (reserves) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

CAPITAL EXPENDITURE

Payments for the acquisition, construction, enhancement or replacement of assets such as land, buildings, roads, and computer equipment.

CAPITAL ADJUSTMENT ACCOUNT

A reserve set aside from revenue resources or capital receipts to fund capital expenditure or the repayment of external loans and certain other capital financing transactions.

CAPITAL RECEIPTS

Income received from the sale of land, buildings or equipment.

CENTRAL SUPPORT SERVICES

Support provided to front line services by the administrative and professional officers, including financial, legal, personnel, computer, property and general administrative support.

COLLECTION FUND

An account that shows the income due from NNDR and Council Taxpayers and the sums paid to the national NNDR pool and to the precepting authorities.

COMMUNITY ASSETS

The class of Fixed Assets held by an authority in perpetuity that have no determinable useful life and may have restriction on their disposal, such as parks and open spaces, historical buildings, works of art, etc.

CONTINGENT ASSET

An asset arising from past events, where its existence can only be confirmed by one or more uncertain future events not wholly within the control of the Council.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from a past event whose existence will be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Council (e.g. the outcome of a court case); or
- A present obligation arising from past events where it is not probable that there will be an associated cost or the amount of the obligation cannot be accurately measured.

CORPORATE AND DEMOCRATIC CORE

This comprises all activities which local authorities engage in specifically because they are elected, multi-purpose organisations. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. It includes cost relating to the corporate management and democratic representation.

COUNCIL TAX

A local tax on properties within the City Council, set by the charging (Westminster) and precepting (GLA) authorities. The level is determined by the revenue expenditure requirements for each authority divided by council tax base for the year.

COUNCIL TAX BASE

The amount calculated for each billing authority from which the grant entitlement of its share is derived. The number of properties in each band is multiplied by the relevant band proportion in order to calculate the number of Band D equivalent properties in the area. The calculation allows for exemptions, discounts, appeals and a provision for non-collection.

CREDITORS

Amounts owed by the Council for goods and services received but not paid for as at 31st March.

DEBTORS

Amounts owed to the Council for goods and services provided but where the associated income was not received as at 31st March.

DEFINED BENEFIT SCHEME

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

Deferred Capital Income

Deferred Capital Income comprises amounts derived from sales of assets which will be received in instalments over agreed periods of time. They arise principally from mortgages on sales of council houses, which form the main part of mortgages under loans for purchase and improvement of property.

DEFINED CONTRIBUTION SCHEME

A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to the employee service in the current and prior periods.

DEPRECIATION

A measure of the cost of the economic benefits of the tangible fixed asset consumed during the period.

DIRECT SERVICE ORGANISATION

A unit operating within the Council's responsibility that has won work in open competition with private firms to deliver certain services to residents.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the Council, which need to be disclosed separately by virtue of their size or incidence to give a fair representation in the account.

FINANCE LEASE

A lease that substantially transfers the risks and rewards of a fixed asset to the lessee. With a Finance Lease, the present value of the lease payments would equate to substantially the all of the fair value of the leased asset.

FIXED ASSETS

Tangible assets that yield benefit to the Council and the services it provides for a period of more than one year.

GENERAL FUND

The account to which the cost of providing the Council Services is charged that are paid for from Council Tax and Government Grants (excluding the Housing Revenue Account).

HOUSING REVENUE ACCOUNT (HRA)

A statutory account maintained separately from the General Fund for the recording of income and expenditure relating to the provision of council housing.

IMPAIRMENT

A reduction in the recoverable amount of a fixed asset, below it's carrying value (e.g. obsolescence, damage or adverse change in statutory environment).

INCOME AND EXPENDITURE ACCOUNT

A new statement from 2006/07, which details the total income received, expenditure incurred by the authority during a year. It is reconciled back to the movement on the general fund balance through the Statement of Movement on the General Fund Balance (see below).

INFRASTRUCTURE ASSETS

A class of assets whose life is of indefinite length and which are not usually capable of being sold such as highways and footpaths.

INTANGIBLE FIXED ASSETS

'Non-financial' fixed assets that do not have physical substance but are identifiable and are controlled by the authority through custody or legal rights. Purchased intangibles, such as software licences, are capitalised at cost whilst internally developed intangibles are only capitalised where there is a readily ascertainable market value for them.

LEVIES

Payments made to the London Pensions Fund Authority, the Environment Agency and the Lee Valley Regional Park Authority.

LONG TERM DEBTORS

These debtors represent the capital income still to be received, for example, from the sale of an asset or the granting of a mortgage or a loan.

MINIMUM REVENUE PROVISION

The minimum amount that the Council must charge to the income and expenditure account to provide for the repayment of debt.

NATIONAL NON-DOMESTIC RATE (NNDR)

Central Government took over the responsibility for setting the non-domestic rate on 1 April 1990. Accordingly, the tax is now known as the National Non-Domestic Rate or the NNDR. Local authorities are responsible for the billing and collection of the tax. The proceeds from the tax are pooled and redistributed to local authorities by Central Government by reference to the resident population of each area.

NET BOOK VALUE

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

NET REALISABLE VALUE

The amount at which an asset could be sold after the deduction of any direct selling costs.

NON-DISTRIBUTED COSTS

Non-distributed costs are defined as comprising:

- retirement benefit costs (past service costs, settlements and curtailments) (NB: Current service pension costs is included in the total costs of services)
- the costs associated with unused shares of IT facilities
- the costs of shares of other long-term unused but unrealisable assets.

NON-OPERATIONAL ASSETS

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

OPERATING LEASE

A lease other than a finance lease. This is a method of financing assets which allows the Council to use, but not own the asset and therefore is not capital expenditure. A third party purchases the asset on behalf of the Council, who then pays the lessor an annual rental over the useful life of the asset.

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the local authority, in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PARKING PLACES RESERVE ACCOUNT

The Parking Places Reserve Account holds the accumulated surpluses relating to on-street parking facilities. The Council uses this as a source of funding for parking, public transport subsidies and highway improvements under the restrictions laid down in the Road Traffic Regulation Act 1984.

PAST SERVICE COST

For a defined benefit scheme, the increase in the value of benefits payable that were earned in prior years arising because of improvements to retirement benefits.

POST BALANCE SHEET EVENTS

These events, both favourable and unfavourable, are which occur between the balance sheet date and the date on which the statement of accounts are finally signed by the Director of Finance and Resources.

PRECEPTS

These are demands made upon the Collection Fund, by the Greater London Authority, for monies, which it requires to finance the services, it provides.

PRIOR YEAR ADJUSTMENT

A material adjustment applicable to prior years arising from changes in accounting policies or correction of fundamental errors.

PROJECTED UNIT METHOD - PENSION FUND VALUATION

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date.

PROVISIONS

A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

PRIVATE FINANCE INITIATIVE (PFI)

A Government initiative that enables authorities to carry out capital projects, through partnership with the private sector.

PRUDENTIAL CODE

Since 1 April 2004, local authorities have been subject to a self-regulatory "prudential system" of capital controls. This gives authorities freedom to determine how much of their capital investment they can afford to fund by borrowing. The objectives of the code are to ensure that local authority's capital investment plans are affordable, prudent and sustainable, with Councils being required to set specific Prudential indicators.

RELATED PARTIES

Two or more parties are related parties when at any time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source, to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Advice from CIPFA is that related parties to a local authority include Central Government, bodies precepting or levying demands on the Council Tax, members and chief officers of the authority and its pension fund.

RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- the purchase, sale, lease, rental or hire of assets between related parties;
- the provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund;

- the provision of services to a related party, including the provision of pension fund administration services;
- transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

RESERVES

An amount set aside for a specific purpose in one year and carried forward to meet future obligations.

REVENUE EXPENDITURE

Day to day payments on the running of Council services including salaries, wages, contract payments, supplies and capital financing costs.

REVENUE SUPPORT GRANT

The main Government grant paid to local authorities. It is intended to adjust for differences in needs between areas so that, if all local authorities were to spend at the level which the Government assess that they need to spend, the Council Tax would be the same across the whole country.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Legislation in England & Wales allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a fixed asset. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

A new statement from 2006/07, which shows how the surplus or deficit on the Income and Expenditure account matches up with the movement on the general fund reserves.

STATEMENT OF RECOMMENDED PRACTICE (SoRP)

This is issued by CIPFA and reviewed each year. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council. The SoRP has statutory status via the provision of the Local Government Act 2003.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (STRGL)

A new statement from 2006/07, which shows the movement in net assets from the beginning to the end of the year reported.

CONTACTS FOR FURTHER INFORMATION AND TRANSLATION ASSISTANCE

This document gives details of Westminster's Annual Accounts and is available on the Council's Website at www.westminster.gov.uk. If you need further information or details on them please ask at your local One Stop Shop, make contact using the telephone number or address detailed below.

Ky dokument jep hollësira mbi Llogaritë Vjetore të Westminsterit dhe disponohet në faqen e internetit të Këshillit Bashkiak www.westminster.gov.uk. Nëse ju duhet informacion i mëtejshëm rreth tyre, ju lutemi të pyesni tek Zyra e Shërbimeve Publike e lagjes. Lidhuni me anë të numrit të telefonit apo adresës së poshtëshënuar.

Dokument ten zawiera szczegolowe Roczne Sprawozdanie Finansowe Westminsteru. Jest on rowniez dostepny na stronie internetowej www.westminster.gov.uk Dodatkowe informacje i szczegoly uzyskac mozna zwracajac sie do swego lokalnego One Stop Shop, ktorego numer telefonu i adres podany jest ponizej.

ئەم بەڵگەنامەیە دریَذەی حیسابی ساڵانەی ویستمینستەر ئیشاندەدا و دەتوانریَ لەسەر ماڵثەری ئەنجومەنەکە www.westminster.gov.uk تەماشابکریَ . ئەطەر زانیاری زۆرتر یا دریَذترت دەوىَ تکایە ثەیوەندی بکە بە One Stop Shop ەوە , لە ریَطای ئەم ذمارە تەلەفۆنە یا ناونیشانەی خوارەوە ثەیوەندی بکە .

這文件含有西敏寺的詳細週年結算報告，同時亦可在市政府的網址瀏覽www.westminster.gov.uk 。假如你需要更多資料或詳情，請與你本區的 ONE STOP SHOP 聯

الثنوية البلدية رتسنمتسيو ويمكن الاطلاع عليها عبر الموقع الخاص البلدية رتسنمتسيو على العنوان التالي
هذه الوثيقة تعطي تفاصيل الحسابات uk.gov.westminster.www . عبر الاستفسار فالرجاء السنوي الحساب اذه
أو , المحلية مكتب منطقتكم الخاصة بالبلدية في اذا وتبغر في مزيد من المعلومات أو تفاصيل أثر صوصخب
الاتصال عبر الهاتف أم أمكنكم الاتصال العنوان البريدي التالي.

Este documento dá detalhes das Contas Anuais de Westminster e está disponível no website da Câmara Municipal em www.westminster.gov.uk. Se precisar de mais informação ou detalhes por favor contacte a sua One Stop Shop local através do número de telefone ou endereço abaixo indicados.

Este documento ofrece información acerca de las cuentas anuales de Westminster y se encuentra disponible en el sitio web del ayuntamiento (*Council's website*) en www.westminster.gov.uk. Si necesitara más información o detalles sobre estas cuentas, por favor diríjase al Servicio de Ventanilla Única local (*One-Stop-Shop*). Para comunicarse con este servicio, utilice el número telefónico o la dirección proporcionados a continuación.

এই ডকুমেন্টে ওয়েস্টমিন্সটারের বাৎসরিক হিসাব নিকাশ (এনুয়েল একাউন্টস) দেওয়া হয়েছে এবং এটি কাউন্সিলের ওয়েবসাইট www.westminster.gov.uk এ পাওয়া যাবে। আপনার যদি আরো তথ্যের প্রয়োজন হয় অথবা এসব তথ্যের ব্যাপারে বিস্তারীত জানতে চান, তবে অনুগ্রহ করে আপনার স্থানীয় ওয়ান স্টপ শপে জিজ্ঞেস করুন, নীচের টেলিফোন নাম্বার অথবা ঠিকানায় যোগাযোগ করুন।

FOR FURTHER DETAILS (ALSO AVAIALBLE IN LARGE PRINT AND BRAILLE) PLEASE CONTACT:

The Financial Controller, Westminster City Council, Finance and Resources Department, City Hall, Victoria Street, London SW1E 6QP. Tel: 020 7641 2435 or the Translation Service on 020 7641 1472

Top 10 council numbers

1.	Council tax	0845 302 3400
2.	Environmental action line	020 7641 2000
3.	Housing benefit and council tax benefit	0800 072 0042
4.	Housing options	020 7641 1000
5.	Library renewals	020 7641 1400
6.	Parking	020 7823 4567
7.	Planning	020 7641 2513
8.	Registering to vote	020 7641 2730
9.	Senior Passport	020 7641 1444
10.	Social Services	020 7641 7535

Westminster City Council

020 7641 6000

020 7641 8000 (minicom/textphone)

info@westminster.gov.uk

www.westminster.gov.uk

Please note that your call may be recorded in order to improve our service.